VOLUME NO. 5

Railroad Ten-Year Trends

1978 - 1987

Economics and Finance Department
ASSOCIATION OF AMERICAN RAILROADS

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PREFACE

This fifth edition of RAILROAD TEN-YEAR TRENDS is offered in a simple statistical format, and as the title implies, most of the data are presented for the past 10 years. The tables are organized into the following categories:

- Organizational Structure
- Traffic, Revenue and Rates
- Financial Statistics
- Employment
- Plant and Equipment
- Operating Ratios
- Profiles

Except where otherwise noted, the statistics reported herein are derived from Annual Reports (R-1) and other reports of Class I Railroads to the Interstate Commerce Commission (ICC), as well as data collected by the Association of American Railroads (AAR). Amtrak statistics are not included except where noted.

Also, unless specifically noted, the statistics reflect the operations of Class I Railroads only. Prior to 1956, Class I Railroads consisted of those carriers with annual operating revenues equal to or over $1,000,000. Since January 1, 1982, when the ICC adopted a procedure to adjust the threshold for inflation by restating current revenues in constant 1978 dollars, the threshold has been changed six times. The criteria for classifying Class I railroads are presented below:

YEAR	Annual Operating Revenues
Pre-1956	$ 1,000,000
1956	3,000,000
1965	5,000,000
1976	10,000,000
1978	50,000,000
1982	82,454,000
1983	83,486,000
1984	87,336,000
1985	87,935,000
1986	88,550,000
1987	87,935,000

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STATISTICAL NOTES

- In some tables columns may not sum due to independent rounding.

- The data contained herein reflect the Class I railroad consist for that year. The consist has changed throughout the years because of mergers, bankruptcies and declassifications by the ICC, and will affect the trends.

ORGANIZATIONAL STRUCTURE

CLASS I RAILROAD SYSTEMS *

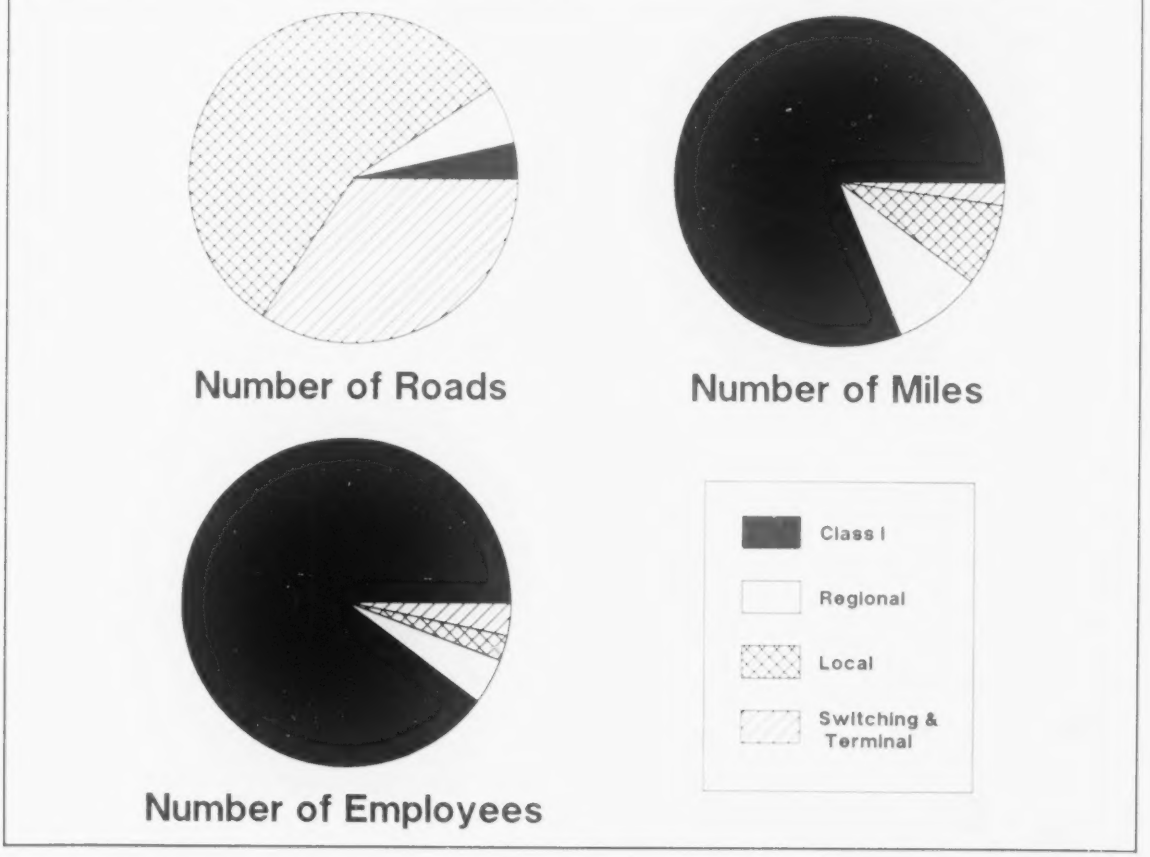
Atchison, Topeka and Santa Fe Railway Company
Burlington Northern Railroad Company
Chicago and North Western Transportation Company
Consolidated Rail Corporation (Conrail)
CSX Transportation
Denver and Rio Grande Western Railroad
Florida East Coast Railway
Grand Trunk Corporation
Guilford Industries
Illinois Central Gulf Railroad
Kansas City Southern Railway
Missouri-Kansas-Texas Railroad
Norfolk Southern Corporation
Soo Line Railroad
Southern Pacific Transportation Company
Union Pacific Railroad Company

* While there are 16 Class I Railroad Systems, there are 18 Class I Railroads which report to the ICC.

INDUSTRY OVERVIEW

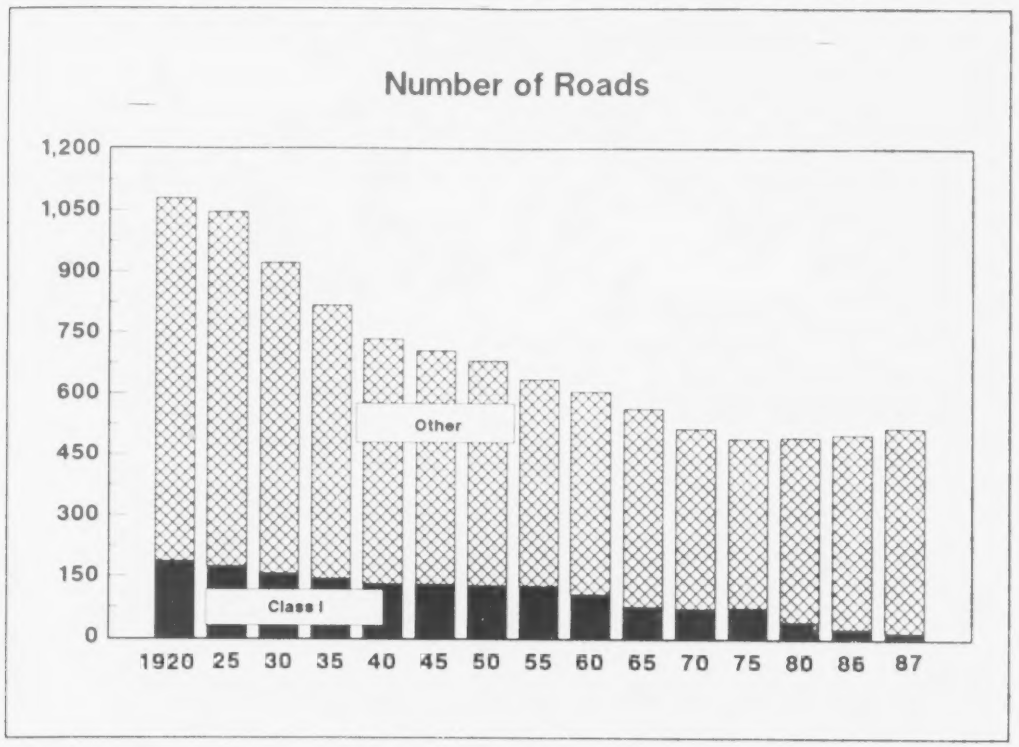
Type of Railroad	Number	Miles	Employees
Class I	18	147,568	235,814
Regional	29	15,622	11,929
Local	285	14,643	6,546
Switching & Terminal	173	3,988	8,374
TOTAL	505	181,821	262,663

Source: Profiles of U.S. Railroads -- 1988 Edition -- Supplement No. 1.



NUMBER OF RAILROADS

Year	Class I Line-Haul Railroads	Other Railroads	Total
1920	186	931	1,117
1925	174	866	1,040
1930	156	772	928
1935	144	666	810
1940	131	605	736
1945	130	568	698
1950	127	552	679
1955	126	517	643
1960	106	501	607
1965	76	492	568
1970	71	446	517
1975	73	404	477
1980	39	441	480
1986	22	475	497
1987	18	487	505



RAILROAD DECLASSIFICATIONS SINCE 1978

(Declassified From Class I Status)

Railroad	Year Declassified	Year Last Reported: Miles of Road	Number of Employees	Operating Revenues (000)	Carloads
Bangor and Aroostook	1978	504	747	$19,583	81,358
Canadian Pacific (in Maine)	1978	234	327	13,538	118,355
Central Vermont	1978	362	396	13,266	43,692
Chicago & Illinois Midland	1978	121	358	11,746	73,611
Duluth, Winnipeg & Pacific	1978	170	278	28,267	124,776
Maine Central	1978	860	1,254	41,555	142,747
Richmond, Fred'burg & Potomac	1978	112	1,043	35,227	233,440
Texas-Mexican	1978	157	295	8,538	32,021
Bessemer & Lake Erie	1985	204	733	80,487	105,918
Duluth, Missabe & Iron Range	1985	357	1,206	79,725	403,370
Pittsburgh & Lake Erie	1985	408	1,070	50,316	63,832
Elgin, Joliet & Eastern	1986	175	1,495	84,987	76,476

RAILROAD MERGERS SINCE 1978

CSX
- Seaboard System (1985)
  - Louisville and Nashville (1982)
  - Seaboard Coast Line (1982)
  - Clinchfield (1982)
- Chessie System (1985)
  - Chesapeake and Ohio (1985)
  - Baltimore and Ohio (1985)
    - Western Maryland (1983)

NORFOLK SOUTHERN
- Norfolk and Western (1985)
- Southern Railway System (1985)
  - Alabama Great Southern (1984)
  - Central of Georgia (1984)
  - Cincinnati, New Orleans and Texas Pacific (1984)
  - Southern Railway (1984)

GRAND TRUNK WESTERN
- Detroit, Toledo and Ironton (1983)

BURLINGTON NORTHERN
- St. Louis/San Francisco (1980)
- Colorado and Southern (1981)
- Fort Worth and Denver (1981)

UNION PACIFIC
- Missouri Pacific (1985)
- Western Pacific (1985)
- Union Pacific (1985)

SOO LINE
- Chicago, Milwaukee, St. Paul and Pacific (1984)

( ) Last year reporting separately

RAILROAD UNIFICATIONS

Effective Date of Unification	Type of Unification	Applicant Railroads	Controlling Railroad/Company
8-31-57	Merger	Nashville, Chattanooga & St. Louis	Louisville & Nashville
1-01-58	Merger	Litchfield & Madison	Chicago & North Western
10-06-58	Control	Spokane International	Union Pacific
12-01-59	Merger	Virginian	Norfolk & Western
1-28-60	Control	Toledo, Peoria & Western	Atchison, Topeka & Santa Fe and Pennsylvania
1-01-60	Merger	Charleston & Western Carolina	Atlantic Coast Line
7-01-60	Merger	Missouri-Kansas-Texas of Texas	Missouri-Kansas-Texas
10-17-60	Merger	Erie & Delaware, Lackawanna & Western	Erie-Lackawanna
11-01-60	Merger	Minneapolis & St. Louis	Chicago & North Western
1-01-61	Merger	Minneapolis, St. Paul & Sault Ste. Marie, Duluth, South Shore & Atlantic and Wisconsin Central	Soo Line
10-31-61	Merger	Texas & New Orleans	Southern Pacific
5-17-62	Control	Lehigh Valley	Pennsylvania Railroad
2-04-63	Control	Baltimore & Ohio	Chesapeake & Ohio
6-18-63	Control	Central of Georgia	Southern
7-01-63	Control	Georgia & Florida	Southern
9-03-63	Control	Ann Arbor	Detroit, Toledo & Ironton
1-01-64	Merger	St. Louis, San Francisco & Texas	St. Louis-San Francisco
9-25-64	Control	Kansas-Oklahoma & Gulf	Texas & Pacific
10-16-64	Merger	New York, Chicago & St. Louis	Norfolk & Western
10-16 64	Control	Akron, Canton & Youngstown	Norfolk & Western
8-01-65	Merger	Gulf, Colorado & Santa Fe & Panhandle & Santa Fe	Atchison, Topeka & Santa Fe
8-12-65	Merger	Pacific Electric	Southern Pacific
1-03-67	Control	Chicago, South Shore & South Bend	Chesapeake & Ohio
5-21-67	Control	Chicago & Eastern Illinois	Missouri Pacific
7-01-67	Merger	Atlantic Coast Line, Seaboard Air Line	Seaboard Coast Line
2-01-68	Merger	Pennsylvania Railroad, New York Central	Penn Central
3-29-68	Control	Western Maryland	Chesapeake & Ohio and Baltimore & Ohio
4-01-68	Control	Erie Lackawanna	Norfolk & Western
7-01-68	Merger	Chicago Great Western	Chicago & North Western
7-01-68	Control	Delaware & Hudson	Norfolk & Western
8-01-68	Control	Alton & Southern	Missouri Pacific and Chicago & North Western
1-31-69	Merger	New Orleans & Northeastern	Alabama Great Southern
2-01-69	Merger	Penn Central & New York, New Haven & Hartford	Penn Central
7-01-69	Merger	Piedmont & Northern	Seaboard Coast Line
3-02-70	Merger	Great Northern, Northern Pacific and Chicago, Burlington & Quincy	Burlington Northern
4-01-70	Merger	Kansas, Oklahoma & Gulf	Texas & Pacific
5-31-71	Merger	Central of Georgia, Georgia & Florida, Savannah & Atlanta and Wrightsville & Tenille	Central of Georgia
7-31-71	Merger	Monon	Louisville and Nashville
8-10-72	Merger	Illinois Central & Gulf, Mobile & Ohio	Illinois Central Gulf
6-15-73	Consolidation	Baltimore & Ohio, Chesapeake & Ohio and Western Maryland	Chessie System
1-01-74	Merger	Carolina & Northwestern	Norfolk & Western
4-01-76	Consolidation	Central Railroad of New Jersey, Erie-Lackawanna, Lehigh & Hudson River, Lehigh Valley, Penn Central, Reading and Ann Arbor	Consolidated Rail Corp. (Conrail)
10-16-76	Merger	Texas & Pacific and Chicago & Eastern Illinois	Missouri Pacific
11-01-78	Merger	Abilene & Southern, Fort Worth Belt, Missouri-Illinois, New Orleans & Lower Coast, St. Joseph Belt, Texas-New Mexico and Union Terminal	Missouri Pacific
11-10-78	Control	Green Bay & Western	Itel Corp

RAILROAD UNIFICATIONS

(Continued)

Effective Date of Unification	Type of Unification	Applicant Railroads	Controlling Railroad/Company
6-24-80	Control	Grand Trunk Western and Detroit, Toledo & Ironton	Grand Trunk Western
11-01-80	Consolidation	Chessie System and Family Lines	CSX Corporation
11-21-80	Merger	Burlington Northern and St. Louis-San Francisco	Burlington Northern
4-13-81	Control	Grand Trunk Western and Detroit & Toledo Shore Line	Grand Trunk Western
6-16-81	Control	Maine Central	Guilford Transportation Industries
1-01-82	Merger	Burlington Northern, Colorado & Southern, Fort Worth & Denver, Burlington Northern (Oregon-Washington) and Walla Walla Valley	Burlington Northern
6-01-82	Consolidation	Southern and Norfolk & Western	Norfolk Southern Corp.
12-22-82	Merger	Union Pacific, Missouri Pacific and Western Pacific	Union Pacific Corp.
1-01-83	Consolidation	Family Lines and Louisville & Nashville	Seaboard System
7-01-83	Control	Boston & Maine	Guilford Transportation Industries
1-05-84	Control	Delaware & Hudson	Guilford Transportation Industries
2-19-85	Control	SOO Line and Chicago, Milwaukee, St. Paul & Pacific	SOO Line
3-26-87	Control	Conrail - 85% government control	Conrail - private sector
5-13-88	Control	Missouri-Kansas-Texas	Union Pacific Corp.

CLASS I RAILROAD SYSTEMS

	Percent Ownership
Atchison, Topeka and Santa Fe Railway Company	
Alameda Belt Line Railroad Company	50.00 %
Central California Traction	33.33
Denver Union Terminal Railway Company	16.67
Harbor Belt Line Railroad Company	33.33
Kansas City Terminal Railway	8.33
Los Angeles Junction Railway Company	100.00
Oakland Terminal Railway	50.00
St. Joseph Terminal Railroad Company	50.00
Sunset Railway Company	50.00
Texas City Terminal Railway	33.33
Wichita Union Terminal Railway Company	33.33
Burlington Northern Railroad Company	
Camas Prairie	50.00
Davenport Rock Island and North Western Railway	50.00
Denver Union Terminal	33.33
Galveston Terminal Railway	100.00
Iowa Transfer Railway	25.00
Kansas City Terminal	16.67
Lake Superior Terminal and Transfer Rwy of Wisconsin	66.67
Longview Switching Company	50.00
MT Properties, Inc.	37.77
Portland Terminal Railroad	40.00
Paducah and Illinois	33.33
Terminal Railroad Association of St. Louis	14.28
Wichita Union Terminal Railway Company	33.33
Winona Bridge	100.00
Chicago and North Western Transportation Company	
Iowa Transfer Railway	25.00
Kansas City Terminal Railway	8.33
Lake Superior Terminal and Transfer Rwy of Wisconsin	16.67
MT Properties, Inc.	36.73
Western Railroad Properties	100.00
CSX Transportation	
Akron and Barberton Belt Railroad	25.00
Baltimore and Ohio Chicago Terminal Railroad	100.00
Carrollton Railroad	100.00
Chicago and Western Indiana Railroad Company	20.00
Curtis Bay	100.00
Gainesville Midland	100.00
Monongahela Railway Company	33.33
Nicholas, Fayette and Greenbriar	50.00
Norfolk and Portsmouth Belt Line Railroad Company	28.57
Paducah and Illinois	33.33
Terminal Railroad Association of St. Louis	12.50
Western Railway of Alabama	100.00
Woodstock and Blockton Railroad	50.00
Consolidated Rail Corporation (Conrail)	
Akron and Barberton Belt Railroad	50.00
Albany Port Railroad Corporation	50.00
Calumet Western Railway	50.50
Chicago and Western Indiana Railroad Company	20.00
Indiana Harbor Belt Railroad Company	51.00
Monongahela Railway Company	33.33
Pittsburgh, Chartiers and Youghiogheny Railway	50.00

CLASS I RAILROAD SYSTEMS
(Continued)

	Percent Ownership
Denver and Rio Grande Western Railroad	
Denver Union Terminal Railway Company	16.67 %
Florida East Coast Railway	
Grand Trunk Western Railroad Corporation	
Chicago and Western Indiana Railroad Company	20.00
Guilford Industries	
Boston and Maine	100.00
Delaware and Hudson	100.00
Maine Central	100.00
Illinois Central Gulf Railroad	
Kansas City Southern Railway	
Arkansas and Western Railway	100.00
Fort Smith and Van Buren Railway Company	100.00
Kansas and Missouri Railway and Terminal Company	100.00
Kansas City Terminal Railway	8.33
Missouri-Kansas-Texas Railroad	
Kansas City Terminal Railway	8.33
Oklahoma, Kansas and Texas Railroad Company	100.00
Texas City Terminal Railway	33.33
Terminal Railroad Association of St. Louis	6.25
Norfolk Southern Corporation	
Akron and Barberton Belt Railroad	25.00
Alabama Great Southern Railroad Company	100.00
Algers, Winslow and Western	50.00
Atlanta and East Carolina Railway	100.00
Camp LeJeune Railroad Company	100.00
Carolina and Northwestern Railroad Company	100.00
Central of Georgia Railroad Company	100.00
Chesapeake Western Railway	100.00
Chicago and Western Indiana Railroad Company	20.00
Cincinnati, New Orleans and Texas Pacific	100.00
Des Moines Union Railway Company	50.00
Fort Wayne Union Railway Company	50.00
Georgia Northern Railway Company	100.00
Georgia Southern and Florida Railway	100.00
Interstate Railroad Company	100.00
Kansas City Terminal Railway	8.33
Live Oak Perry & South Georgia Railway	100.00
Louisiana Southern Railway	100.00
New Orleans Terminal Company	100.00
Norfolk and Portsmouth Belt Line Railroad Company	57.14
St. Johns River Terminal	100.00
State University Railroad Company	54.02

CLASS I RAILROAD SYSTEMS
(Continued)

	Percent Ownership
Norfolk Southern (continued)	
Tennessee, Alabama and Georgia Railway	100.00 %
Tennessee Railway Company	100.00
Terminal Railroad Association of St. Louis	12.50
Woodstock and Blockton Railroad Company	50.00
SOO Line Railroad	
Davenport, Rock Island and North Western Railway	50.00
Indiana Harbor Belt Railway	49.00
Kansas City Terminal Railway	8.33
Lake Superior Term. & Trans. Railway Co. of Wisconsin	16.67
MT Properties	11.11
Southern Pacific Transportation Company	
Arkansas and Memphis Railway Bridge Terminal	66.67
Central California Traction Company	33.33
Harbor Belt Line Railroad Company	33.33
Kansas City Terminal Railway Company	8.33
Northwestern Pacific Railroad	100.00
Portland Terminal Railroad	20.00
Portland Traction Company	50.00
St. Louis-Southwestern Railway Lines	100.00
Southern Illinois and Missouri Bridge Company	40.00
Sunset Railway Company	50.00
Terminal Railroad Association of St. Louis	14.29
Visalia Electric Railroad Company	100.00
Union Pacific Railroad Company	
Alameda Belt Line	50.00
Arkansas, Memphis Railway Bridge and Terminal	33.33
Brownsville and Matamoros Bridge Terminal	50.00
Camas Prairie	50.00
Central California Traction	33.33
Chicago and Western Indiana Railroad Company	20.00
Denver Union Terminal	16.67
Harbor Belt Line Railroad Company	33.33
Kansas City Terminal Railway Company	16.67
Longview Switching Company	50.00
Oakland Terminal Railway Company	50.00
Ogden Union Railway and Depot Company	50.00
Portland Terminal Railroad	40.00
Portland Traction Company	50.00
Pueblo Union Depot Railroad	25.00
Southern Illinois and Missouri Bridge Company	60.00
St. Joseph Terminal Company	50.00
Terminal Railroad Association of St. Louis	18.75
Texas City Terminal Railway	33.33

TRAFFIC, REVENUE AND RATES

NOTES

- The grain carloading data shown on pages 30 and 34 do not agree because different sources and different reporting periods were used in compiling the data.

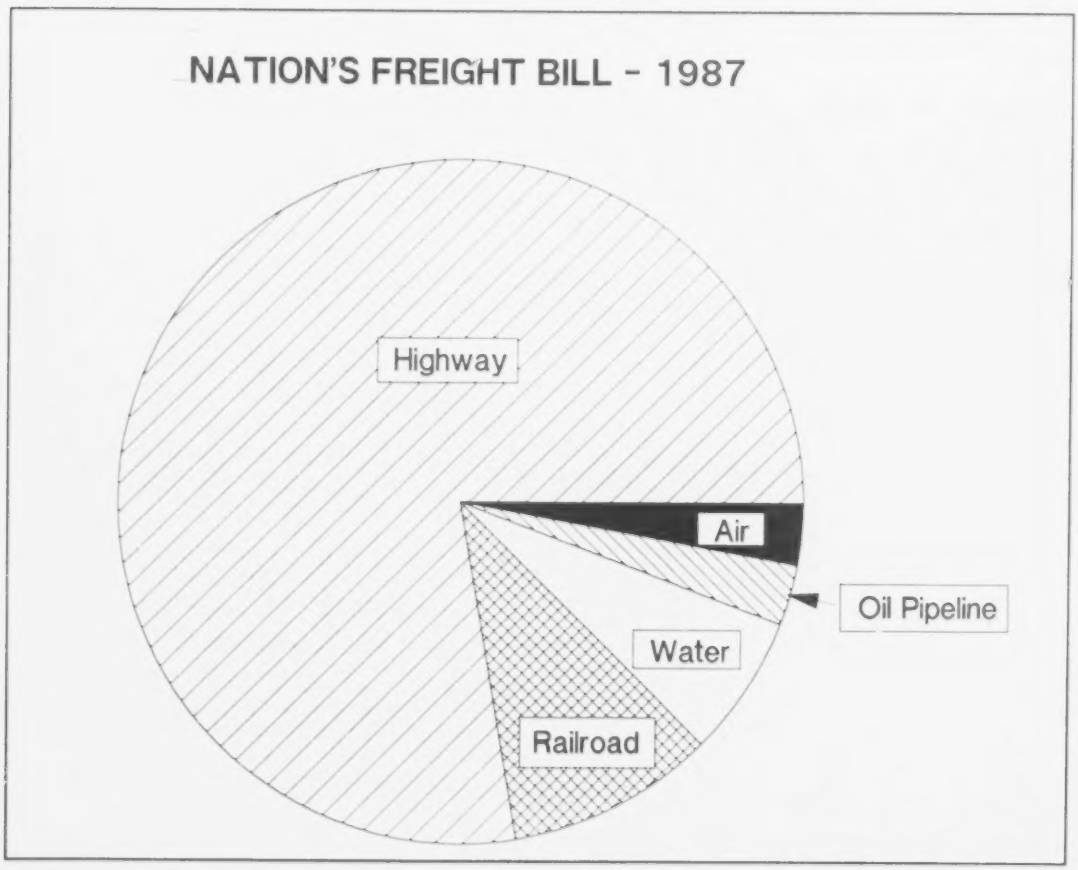
RAILROADS AND THE ECONOMY IN 1987

1. **Rail revenues equal 0.6 percent of GNP.**

2. **Railroads handle 36.3 percent of the nation's intercity freight traffic in ton-miles.**

3. **Railroads employ 9.8 percent of the total persons involved in transportation services.**

4. **Railroad investment in new plant and equipment accounts for 31.3 percent of total transportation investment.**



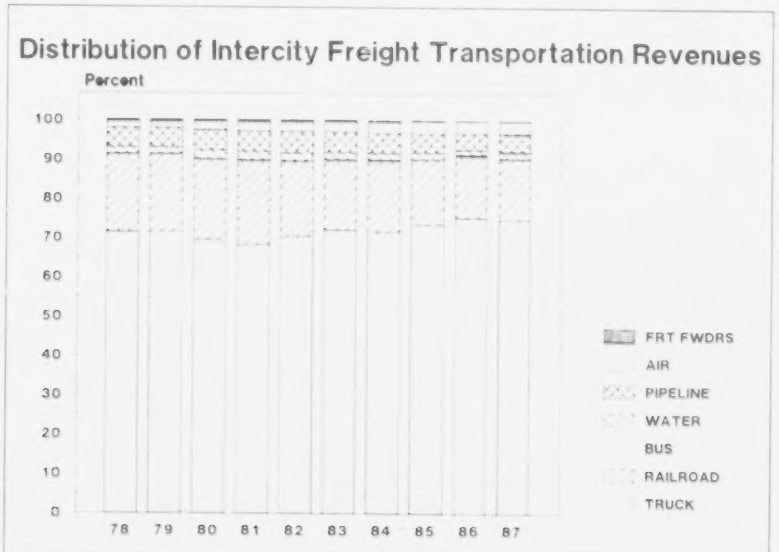
Source: Transportation in America, Transportation Policy Associates and Bureau of Labor Statistics.

DISTRIBUTION OF INTERCITY FREIGHT TRANSPORTATION REVENUES

REVENUES OF REGULATED AND NON-REGULATED CARRIERS

Mode	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
	(Millions of Dollars)									
Truck										
Regulated	$36,500	$41,200	$43,000	$47,900	$44,100	$46,500	$52,100	$54,200	$58,100	$61,000
Non-Regulated	43,069	48,963	51,551	49,993	55,840	64,598	68,600	72,000	71,000	74,200
Railroads	21,896	24,673	27,702	30,502	27,134	27,325	30,549	29,150	27,808	28,246
Bus	205	219	235	260	249	246	245	245	226	179
Water										
Inland	1,300	1,497	2,395	2,652	2,419	2,380	2,603	2,449	2,470	2,656
Great Lakes	521	593	513	570	335	404	475	461	417	480
Oil Pipe Lines										
Regulated	4,907	5,585	6,356	6,678	7,140	7,472	7,824	7,461	7,287	7,396
Non-Regulated	545	621	706	742	793	830	869	829	810	822
Domestic Air	1,729	1,846	2,802	3,165	3,244	3,785	4,662	5,498	5,860	6,434
Freight Fwdrs.	583	701	721	810	693	628	506	378	265	207
TOTAL	$111,255	$125,898	$135,981	$143,272	$141,947	$154,168	$168,433	$172,671	$174,243	$181,620
	(Percent of Total Revenues)									
Truck										
Regulated	32.8 %	32.7 %	31.6 %	33.4 %	31.1 %	30.2 %	30.9 %	31.4 %	33.3 %	33.6 %
Non-Regulated	38.7	38.9	37.9	34.9	39.3	41.9	40.7	41.7	40.8	40.8
Railroads	19.7	19.6	20.4	21.3	19.1	17.7	18.1	16.9	16.0	15.5
Bus	.2	.2	.2	.2	.2	.2	.2	.1	.1	.1
Water										
Inland	1.2	1.2	1.8	1.8	1.7	1.5	1.6	1.4	1.4	1.5
Great Lakes	.5	.5	.4	.4	.2	.3	.3	.3	.2	.3
Oil Pipe Lines										
Regulated	4.4	4.4	4.7	4.7	5.0	4.8	4.6	4.3	4.2	4.1
Non-Regulated	.5	.5	.5	.5	.6	.5	.5	.5	.5	.5
Domestic Air	1.5	1.5	2.0	2.2	2.3	2.5	2.8	3.2	3.4	3.5
Freight Fwdrs.	.5	.5	.5	.6	.5	.4	.3	.2	.1	.1
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Transportation in America, Transportation Policy Associates.

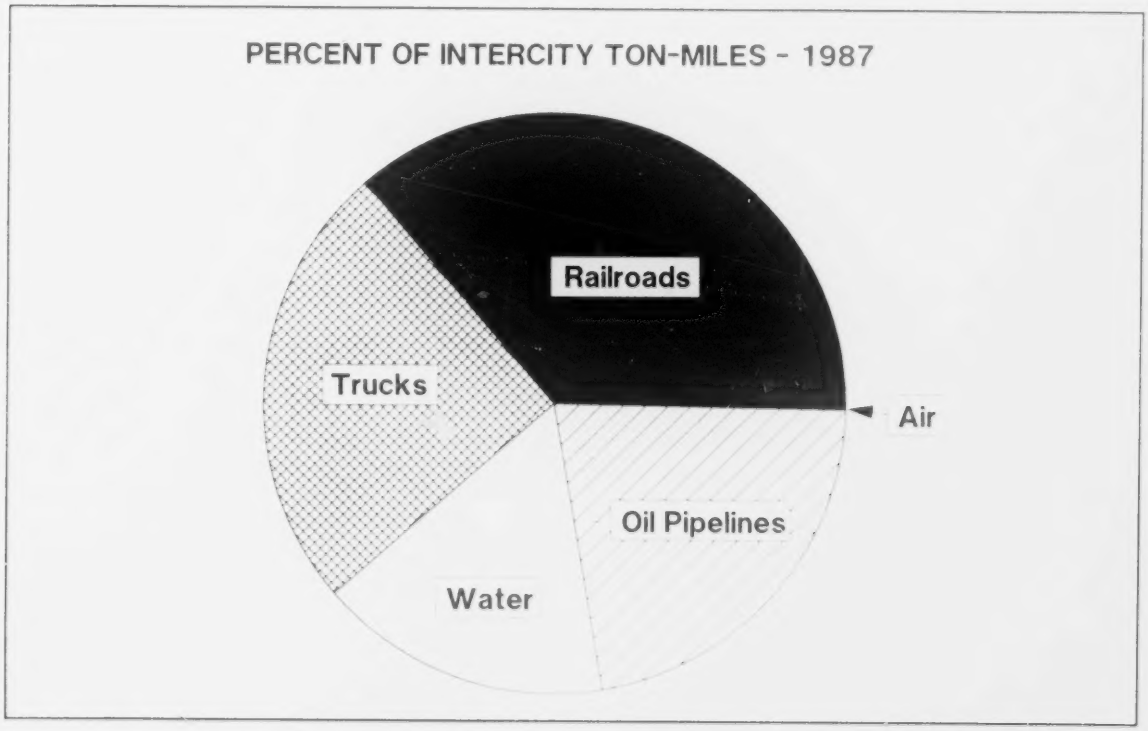


DISTRIBUTION OF INTERCITY FREIGHT TRAFFIC: TON-MILES

Percentage of Intercity Ton-Miles

Year	Railroads	Trucks	Water	Oil Pipelines	Air
1978	35.2 %	24.3 %	16.6 %	23.7 %	0.2 %
1979	36.0	23.6	16.6	23.6	0.2
1980	37.5	22.3	16.4	23.6	0.2
1981	38.1	21.7	16.8	23.2	0.2
1982	36.0	23.1	15.6	25.1	0.2
1983	36.0	24.6	15.4	23.8	0.2
1984	37.2	24.1	15.9	22.6	0.2
1985	36.4	24.8	15.6	22.9	0.3
1986	35.5	25.4	15.7	23.1	0.3
1987	36.3	25.1	16.3	22.0	0.3

Source: Transportation in America, Transportation Policy Associates.



DISTRIBUTION OF INTERCITY FREIGHT TRAFFIC: TONS CARRIED

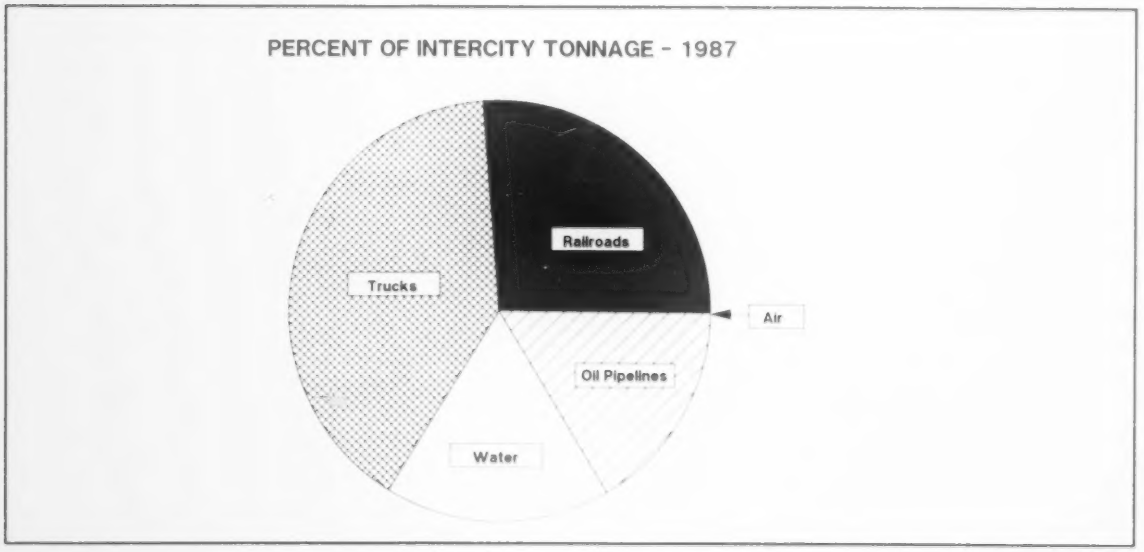
Percent of Intercity Tonnage

Year	Railroads	Trucks	Water	Oil Pipelines	Air
1978	25.9 %	39.6 %	17.2 %	17.2 %	0.1 %
1979	27.6	38.6	16.9	16.8	0.1
1980	28.9	36.5	17.8	16.7	0.1
1981	28.9	36.7	17.8	16.5	0.1
1982	27.4	36.4	17.9	18.2	0.1
1983	27.1	37.8	17.3	17.7	0.1
1984	27.6	38.5	17.2	16.6	0.1
1985	26.5	39.3	17.2	16.9	0.1
1986	25.8	39.9	17.2	17.0	0.1
1987	26.2	40.0	17.3	16.4	0.1

Notes: In addition to regulated carriers, for-hire and private carriers are included in the above data.

Water tonnage includes Coastwise traffic.

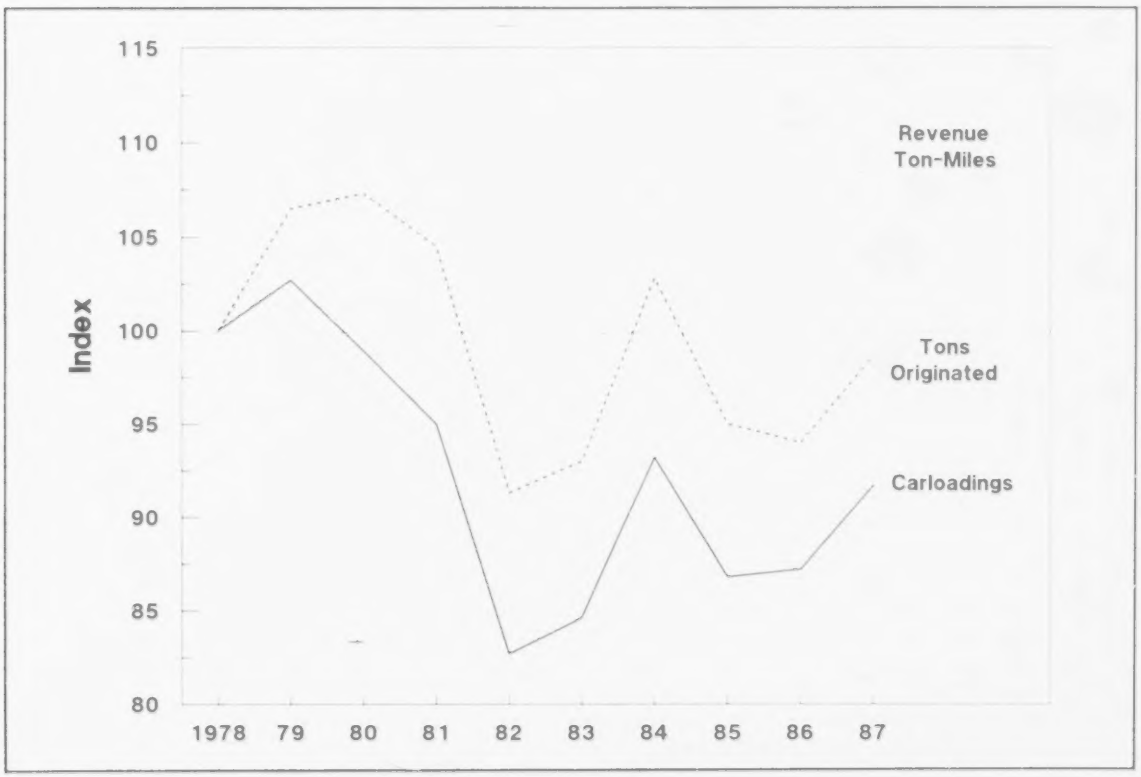
Source: Transportation in America, Transportation Policy Associates.



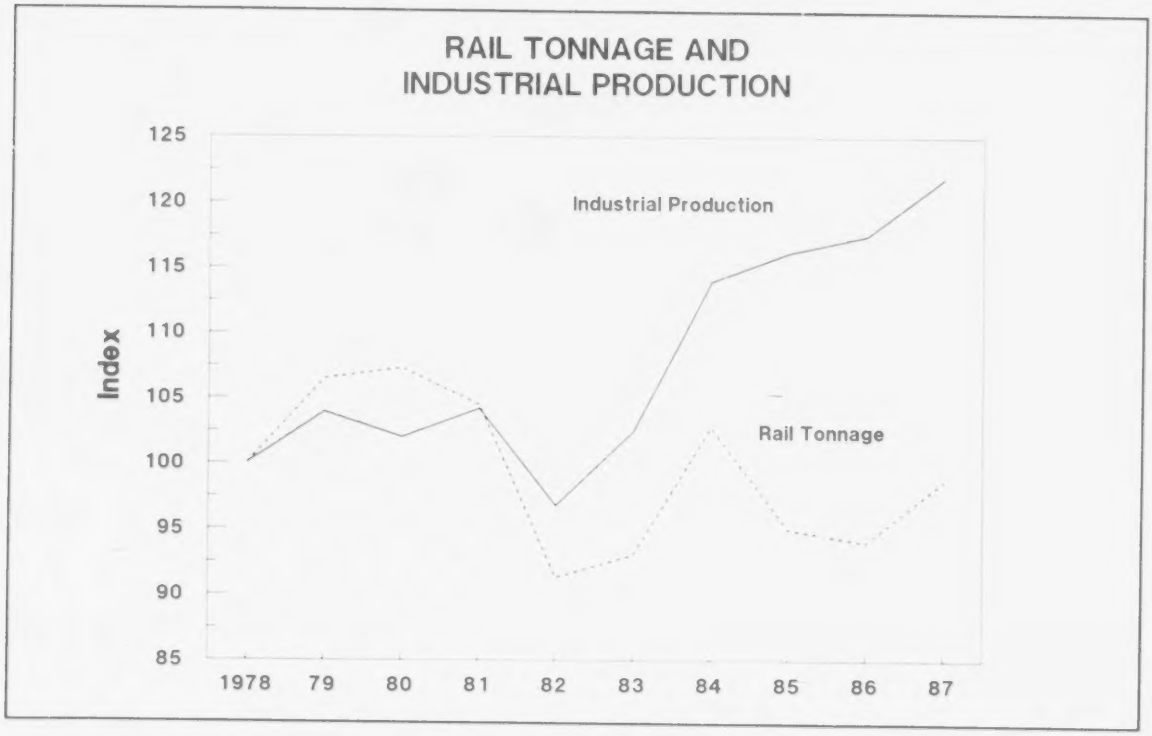
RAILROAD FREIGHT TRAFFIC

Year	Carloadings (thousands)	Tons Originated (millions)	Revenue Ton-Miles (billions)
1978	22,477	1,390	858
1979	23,086	1,481	905
1980	22,223	1,492	919
1981	21,343	1,453	910
1982	18,585	1,269	798
1983	19,013	1,293	828
1984	20,946	1,429	922
1985	19,501	1,320	877
1986	19,589	1,306	868
1987	20,602	1,372	944

Source: Analysis of Class I Railroads.



INDUSTRIAL PRODUCTION VS. TONNAGE



Year	Index of Industrial Production	Index of Rail Tonnage
1978	100.0	100.0
1979	103.9	106.5
1980	102.0	107.3
1981	104.2	104.5
1982	96.8	91.3
1983	102.5	93.0
1984	114.0	102.8
1985	116.2	95.0
1986	117.5	94.0
1987	121.9	98.7

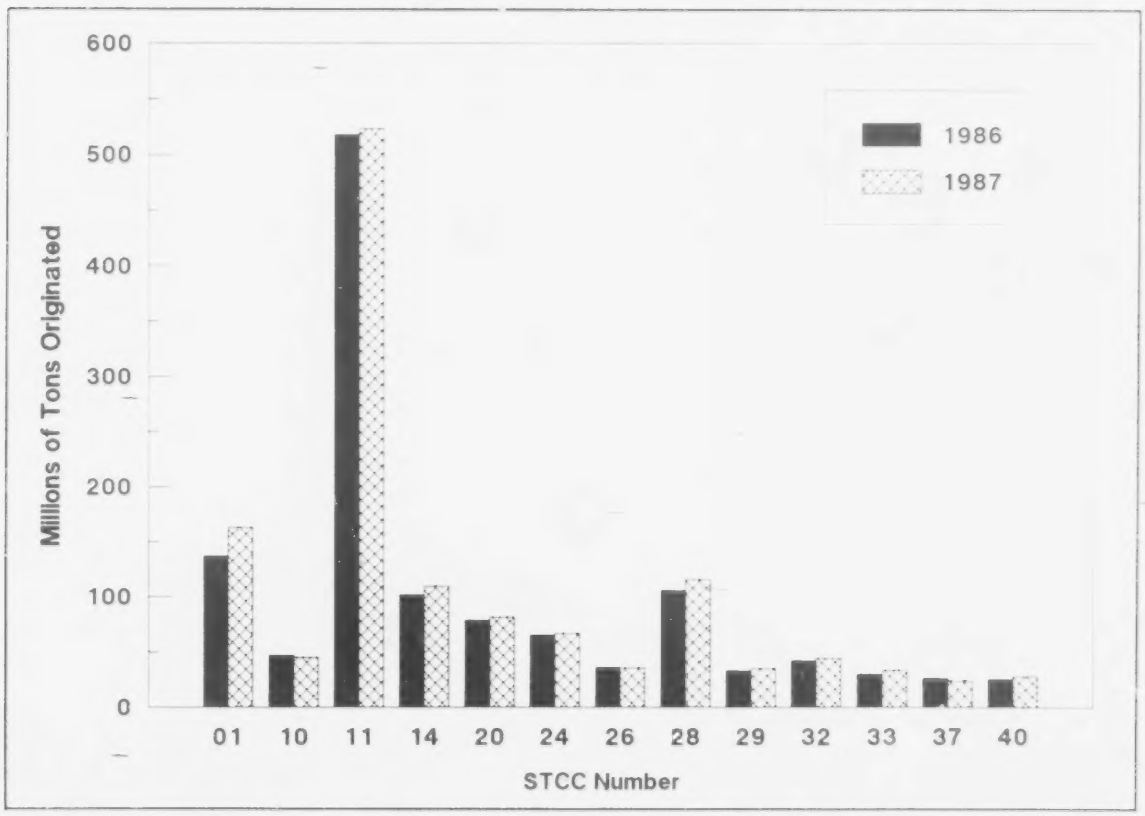
Sources: Industrial Production - Economic Report to the President; Tons Originated - Analysis of Class I Railroads.

RAILROAD TONNAGE BY MAJOR COMMODITY GROUPS

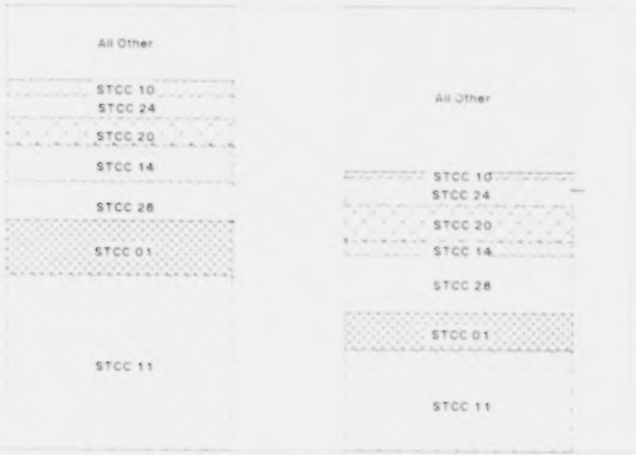
(Millions of Tons Originated)

Commodity	STCC No.	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Farm Products	01	128.7	138.5	156.1	139.9	133.5	142.2	151.1	127.0	136.4	162.9
Metallic Ores	10	112.5	83.1	105.4	113.8	62.6	68.4	85.5	46.9	46.4	44.9
Coal	11	383.1	473.7	522.1	527.6	523.8	493.6	566.6	538.0	517.5	523.3
Nonmetallic Minerals	14	134.7	132.2	124.8	110.0	84.7	96.5	108.2	107.7	101.2	109.4
Food & Kindred Products	20	95.4	93.2	91.9	82.8	77.0	75.2	72.1	73.5	78.3	81.4
Lumber & Wood Products	24	95.1	92.9	85.5	80.3	65.9	71.7	69.8	63.2	64.9	66.8
Pulp, Paper & Allied Products	26	41.4	42.4	42.1	41.6	36.4	36.6	37.7	36.2	35.6	35.9
Chemicals & Allied Products	28	106.7	112.4	108.3	105.9	91.2	99.3	107.4	106.4	105.6	115.9
Petroleum & Coal Products	29	44.4	43.7	38.1	39.0	31.6	33.6	25.3	32.9	32.8	34.9
Stone, Clay & Glass Products	32	59.9	61.4	53.7	49.2	38.2	41.6	44.8	43.5	42.1	44.4
Primary Metal Products	33	60.1	63.9	52.7	53.3	32.0	32.0	36.1	33.6	29.7	33.4
Transportation Equipment	37	32.2	30.6	23.9	22.2	18.8	22.2	26.1	27.2	25.9	23.9
Waste and Scrap Material	40	37.8	38.5	34.3	34.1	22.7	24.5	28.8	25.7	25.0	28.3

Source: Freight Commodity Statistics.



RAIL DISTRIBUTION OF TONNAGE AND REVENUE AMONG MAJOR COMMODITY GROUPS IN 1987



Tons Originated Revenue

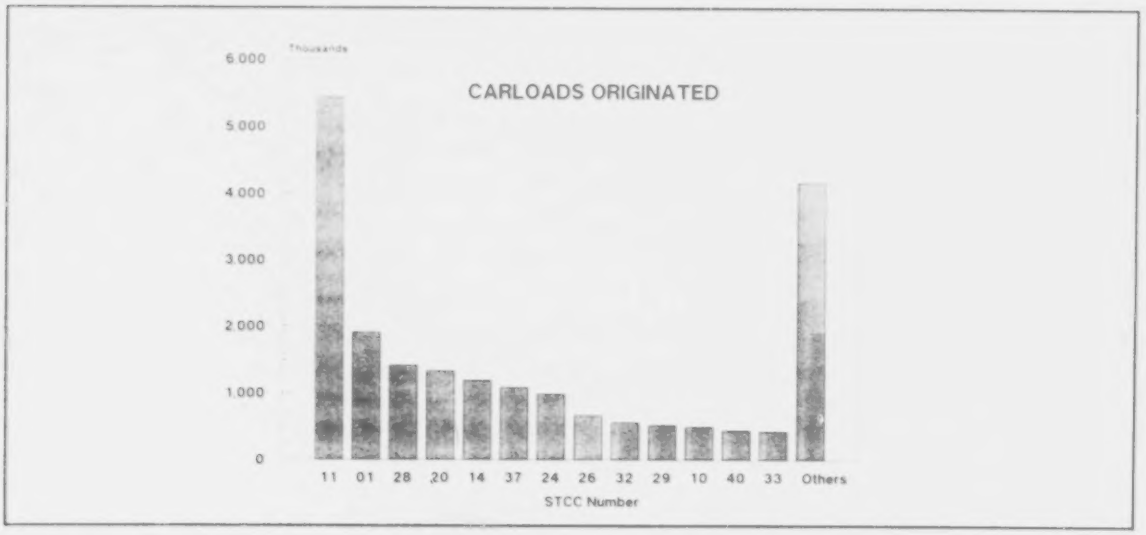
STCC	Commodity	Percent of Total Tons Originated (percent)	Percent of Freight Revenue (percent)	Rank Tons	Rank Rev.
11	Coal	38.1 %	22.0 %	1	1
01	Farm Products	11.9	8.1	2	4
28	Chemicals & Allied Products	8.5	12.6	3	2
14	Nonmetallic Minerals	8.0	3.1	4	10
20	Food & Kindred Products	5.9	7.8	5	5
24	Lumber & Wood Products	4.9	6.0	6	6
10	Metallic Ores	3.3	1.3	7	13
32	Stone, Clay & Glass Products	3.2	3.3	8	8
26	Pulp, Paper & Allied Products	2.6	5.6	9	7
29	Petroleum & Coal Products	2.5	2.9	10	11
33	Primary Metal Products	2.4	3.1	11	9
40	Waste and Scrap Materials	2.1	1.7	12	12
37	Transportation Equipment	1.7	10.4	13	3
	Subtotal	**95.1 %**	**87.9 %**	--	--
	All Others	4.9	12.1	--	--
	TOTAL	**100.0 %**	**100.0 %**		

Source: Freight Commodity Statistics.

RAILROAD CARLOADINGS BY MAJOR COMMODITY GROUPS

STCC	Commodity	Carloads Originated	Percent of Total	Rank Tons
11	Coal	5,429,671	26.4 %	1
01	Farm Products	1,907,200	9.3	2
28	Chemicals & Allied Products	1,409,661	6.8	3
20	Food & Kindred Products	1,325,785	6.4	4
14	Nonmetallic Minerals	1,187,649	5.8	5
37	Transportation Equipment	1,085,343	5.3	6
24	Lumber & Wood Products	985,769	4.8	7
26	Pulp, Paper & Allied Products	661,181	3.2	8
32	Stone, Clay & Glass Products	559,731	2.7	9
29	Petroleum & Coal Products	520,225	2.5	10
10	Metallic Ores	494,269	2.4	11
40	Waste and Scrap Materials	440,255	2.1	12
33	Primary Metal Products	427,815	2.1	13
	Subtotal	**16,434,554**	**79.8 %**	--
	All Others	4,167,650	20.2	--
	TOTAL	**20,602,204**	**100.0 %**	

Source: Freight Commodity Statistics.

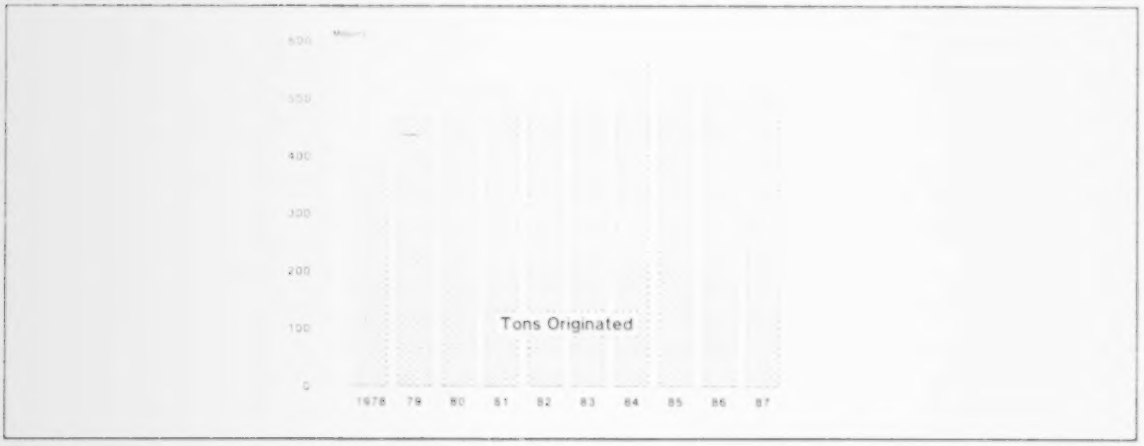


REVENUE PER TON FOR MAJOR COMMODITY GROUPS

STCC	Commodity	Revenue Per Ton
01	Farm Products	$13.79
10	Metallic Ores	7.75
11	Coal	11.65
14	Nonmetallic Minerals	7.81
20	Food & Kindred Products	26.66
24	Lumber & Wood Products	24.86
26	Pulp, Paper & Allied Products	42.96
28	Chemicals & Allied Products	30.00
29	Petroleum & Coal Products	23.21
32	Stone, Clay & Glass Products	20.61
33	Primary Metal Products	25.84
37	Transportation Equipment	119.69
40	Waste and Scrap Materials	16.76
	ALL COMMODITIES	**$20.15**

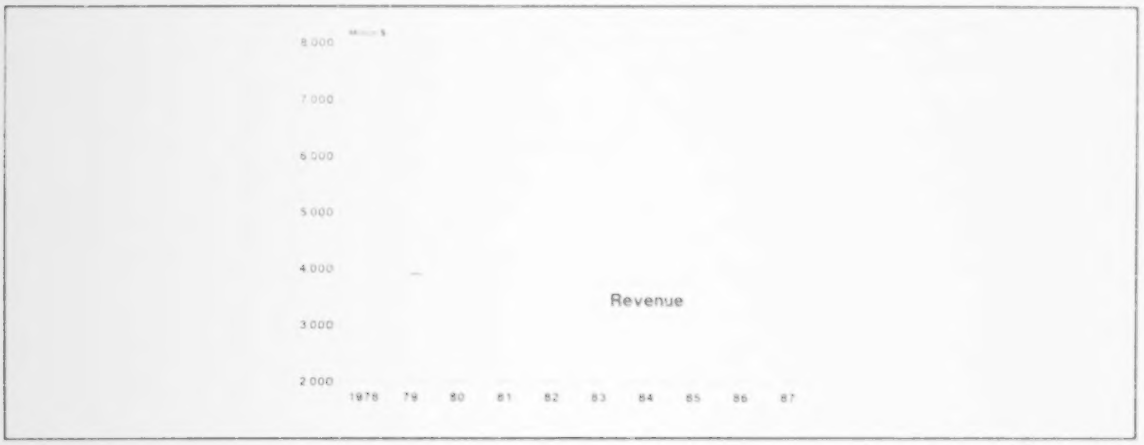
Source: Freight Commodity Statistics.

RAIL TRANSPORTATION OF COAL



Year	Tons Orig. (millions)	Carloads (thousands)	Revenues (million $)	Coal as Percent of Total Traffic Tonnage	Carloads	Revenues
1978	383	4,372	2,813	27.6 %	19.5 %	13.5 %
1979	473	5,321	3,863	31.9	23.0	16.1
1980	522	5,789	4,956	35.0	26.0	18.4
1981	528	5,835	5,977	36.3	27.3	20.2
1982	524	5,718	6,307	41.3	30.8	23.8
1983	494	5,276	5,969	38.2	27.7	22.4
1984	567	6,061	6,965	39.6	28.9	23.3
1985	538	5,684	6,556	40.8	29.1	23.2
1986	518	5,433	6,089	39.6	27.7	22.4
1987	523	5,430	6,097	38.1	26.4	22.0

Source: Analysis of Class I Railroads.



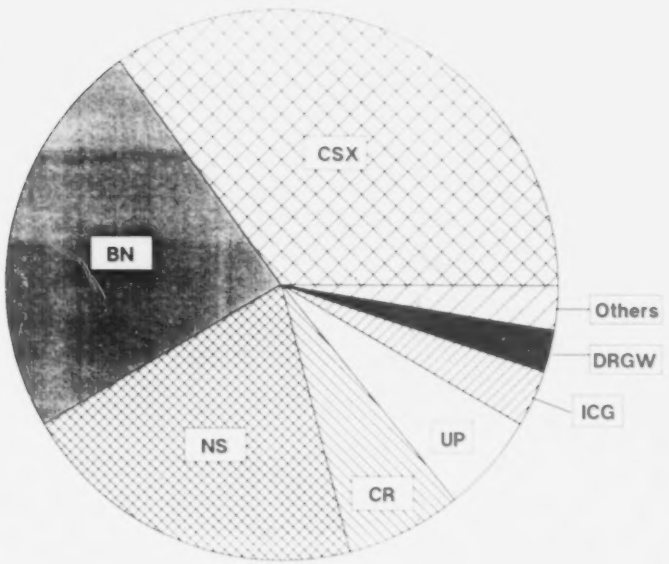
MAJOR COAL RAILROAD SYSTEMS

(1987)

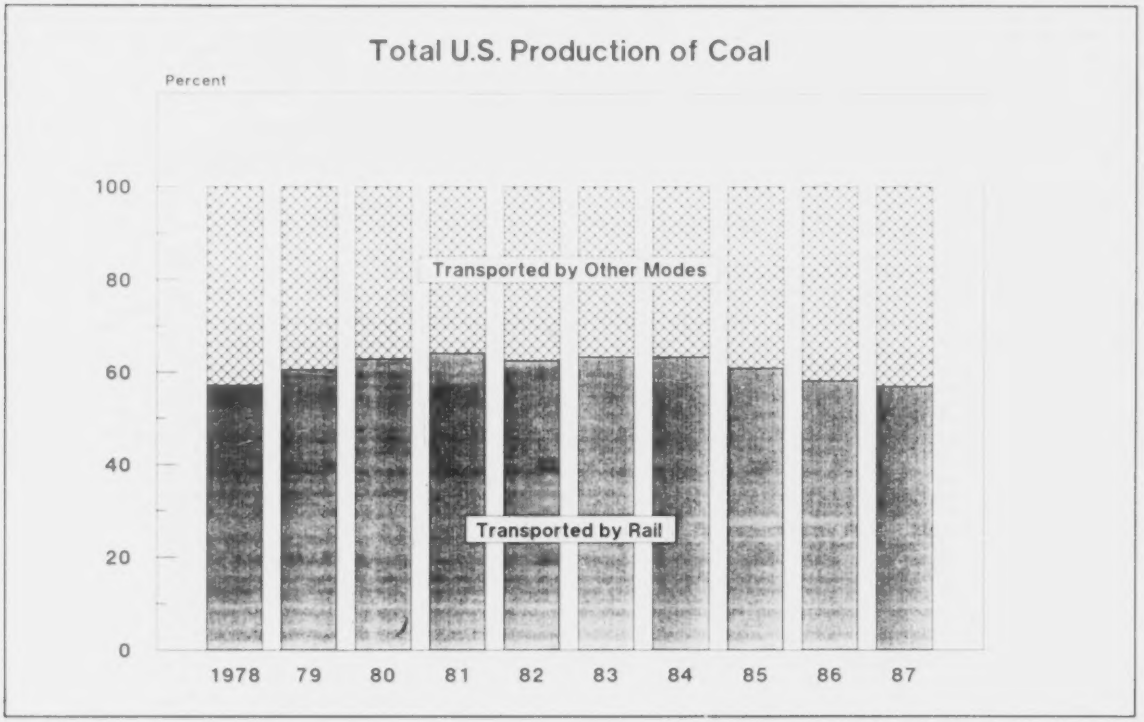
Railroad System	Tons Originated (millions)	Percent of Total
CSX Corporation	182.9	34.9 %
Burlington Northern	123.6	23.6
Norfolk Southern	107.4	20.5
Conrail	35.4	6.8
Union Pacific Corporation	30.1	5.8
Illinois Central Gulf	17.2	3.3
Denver & Rio Grande Western	12.9	2.5
Top Seven	509.5	97.4 %
Others	13.8	2.6 %
TOTAL	523.3	100.0 %

Source: Freight Commodity Statistics.

Percent of Total Tons Originated
Coal



RAIL COAL TRAFFIC AS A PERCENT OF DOMESTIC COAL PRODUCTION



Year	Total Tons U.S Production (millions)	Transported by Rail Tons (millions)	Transported by Rail Percent of Production
1978	670	383	57.2 %
1979	781	473	60.6
1980	830	522	62.9
1981	824	528	64.1
1982	838	524	62.5
1983	782	494	63.2
1984	896	567	63.3
1985	884	538	60.9
1986	890	518	58.2
1987	917	523	57.0

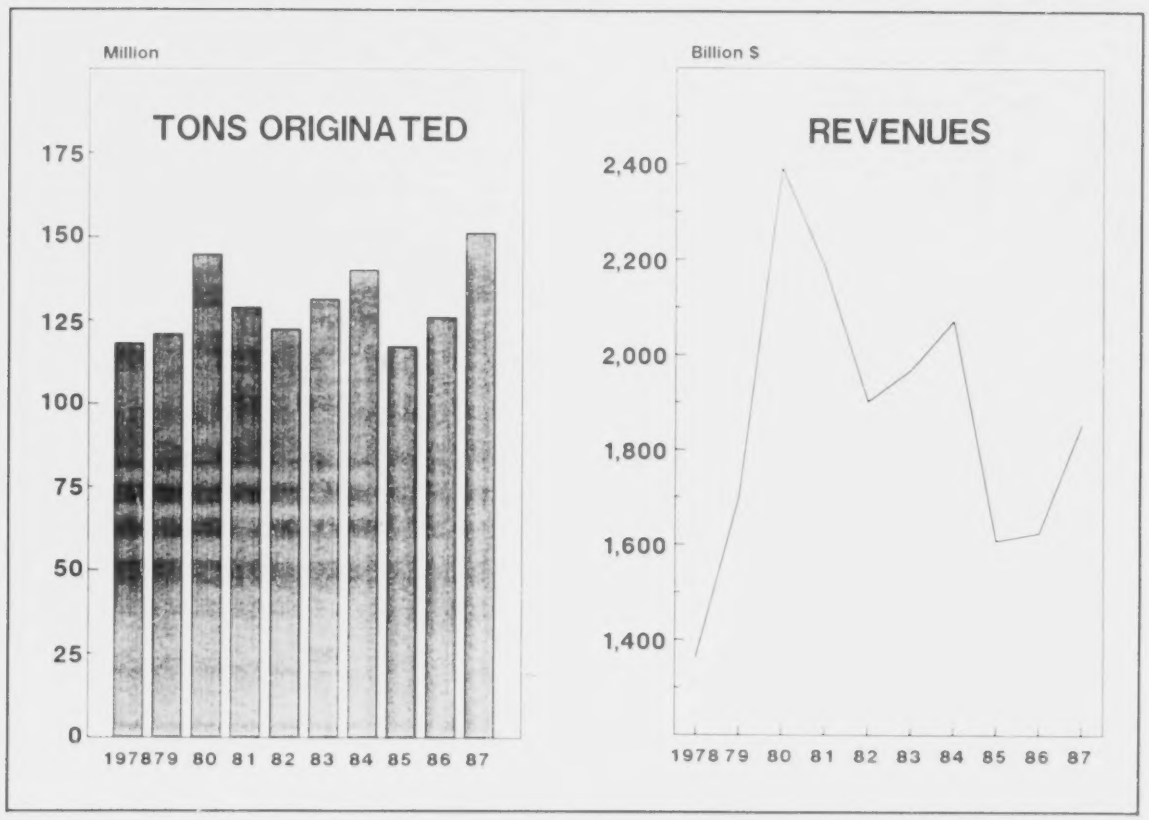
Note: Above data include bituminous, lignite and anthracite coal.

Source: DOE, Energy Information Administration, Annual Energy Review 1987; and Freight Commodity Statistics.

RAIL TRANSPORTATION OF GRAIN

Year	Tons Originated	Carloads Originated	Revenues ($ thousands)
1978	117,978,512	1,329,461	$1,364,214
1979	120,757,068	1,392,198	1,699,864
1980	144,661,368	1,594,776	2,392,910
1981	128,741,536	1,365,487	2,185,729
1982	122,289,166	1,286,999	1,901,714
1983	131,276,374	1,376,593	1,968,195
1984	140,080,000	1,473,907	2,071,705
1985	117,178,508	1,235,290	1,608,362
1986	125,896,395	1,323,836	1,624,778
1987	151,245,722	1,593,623	1,852,638

Source: Analysis of Class I Railroads.



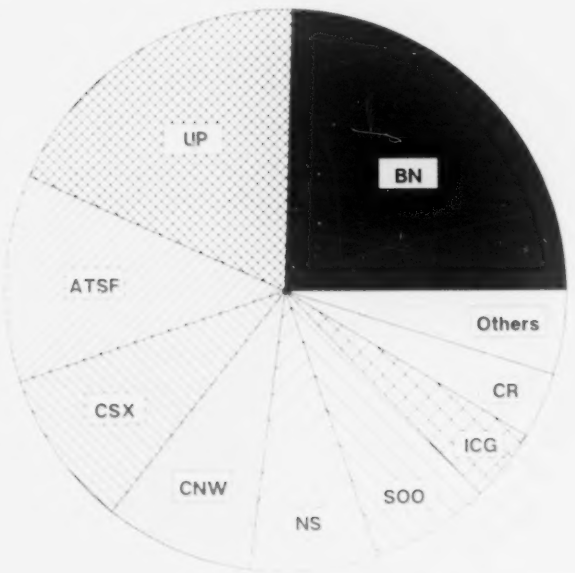
MAJOR GRAIN RAILROAD SYSTEMS

(1987)

Railroad System	Tons Originated	Percent of Total
Burlington Northern	37,058,309	24.5 %
Union Pacific	28,315,063	18.7
Atchison, Topeka & Santa Fe	18,135,602	12.0
CSX Transportation	13,789,605	9.1
Chicago & North Western	13,009,485	8.6
Norfolk Southern	11,183,205	7.4
Soo Line	10,333,153	6.8
Illinois Central Gulf	6,337,670	4.2
Conrail	5,657,754	3.8
Top nine	143,819,846	95.1 %
Others	7,425,876	4.9
TOTAL	151,245,722	100.0 %

Source: Analysis of Class I Railroads.

Percent of Total Tons Originated
Grain

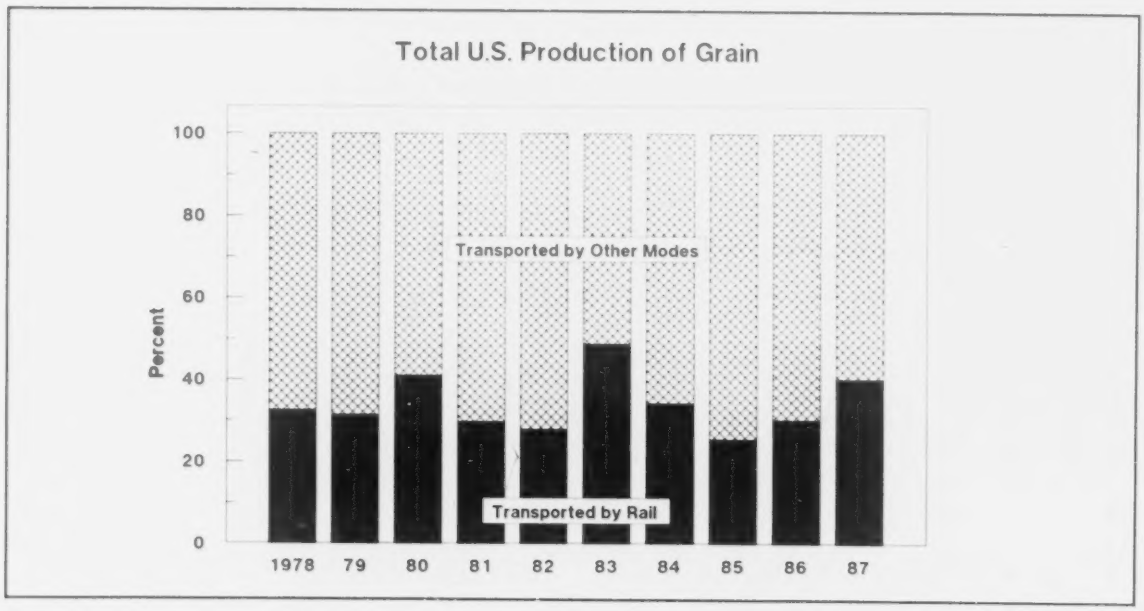


RAIL GRAIN TRAFFIC AS A PERCENT OF DOMESTIC GRAIN PRODUCTION

Year	Total Bushels US Production (thousands)	Bushels Moved By Rail	Percent of Production
1978	12,679,891	4,124,807	32.5 %
1979	14,040,235	4,409,757	31.4
1980	12,217,143	5,003,699	41.0
1981	14,751,993	4,378,679	29.7
1982	15,134,013	4,222,849	27.9
1983	9,703,681	4,724,093	48.7
1984	14,068,766	4,807,711	34.2
1985	15,632,796	3,993,697	25.5
1986	14,216,602	4,293,249	30.2
1987	12,715,699	5,108,262	40.2

Note: Bushels carried by rail estimated assuming average of 2,000 bushels per boxcar and 3,400 bushels per covered hopper.

Source: U.S. Department of Agriculture - production; AAR Transportation Division - bushels moved



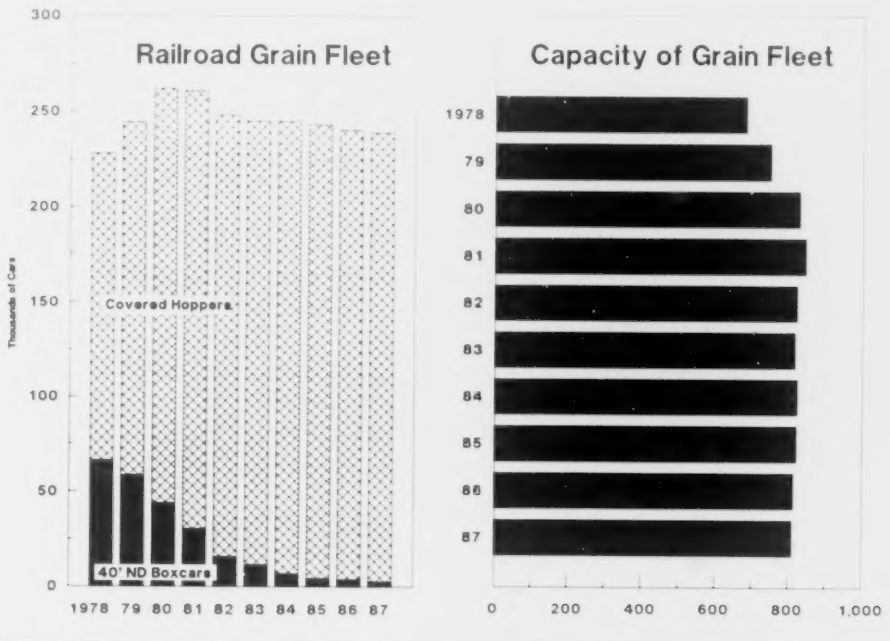
RAILROAD GRAIN FLEET

Year	40' ND* Boxcars	Covered Hoppers	Total Grain Cars	Total Capacity in Bushels
1978	66,186	161,762	227,948	682,362,800
1979	58,506	185,952	244,458	749,248,800
1980	43,759	218,091	261,850	829,026,400
1981	30,190	230,718	260,908	844,821,200
1982	15,610	232,569	248,179	821,954,600
1983	11,450	233,628	245,078	817,235,200
1984	6,848	238,166	245,014	823,460,400
1985	4,347	238,975	243,322	821,209,000
1986	3,755	236,851	240,606	812,803,400
1987	2,801	236,393	239,194	809,338,200

* ND = Narrow Door

Note: Includes both railroad and privately owned cars. Capacity figures assume average boxcar carries 2,000 bushels and average covered hopper carries 3,400 bushels.

Source: AAR Transportation Division.

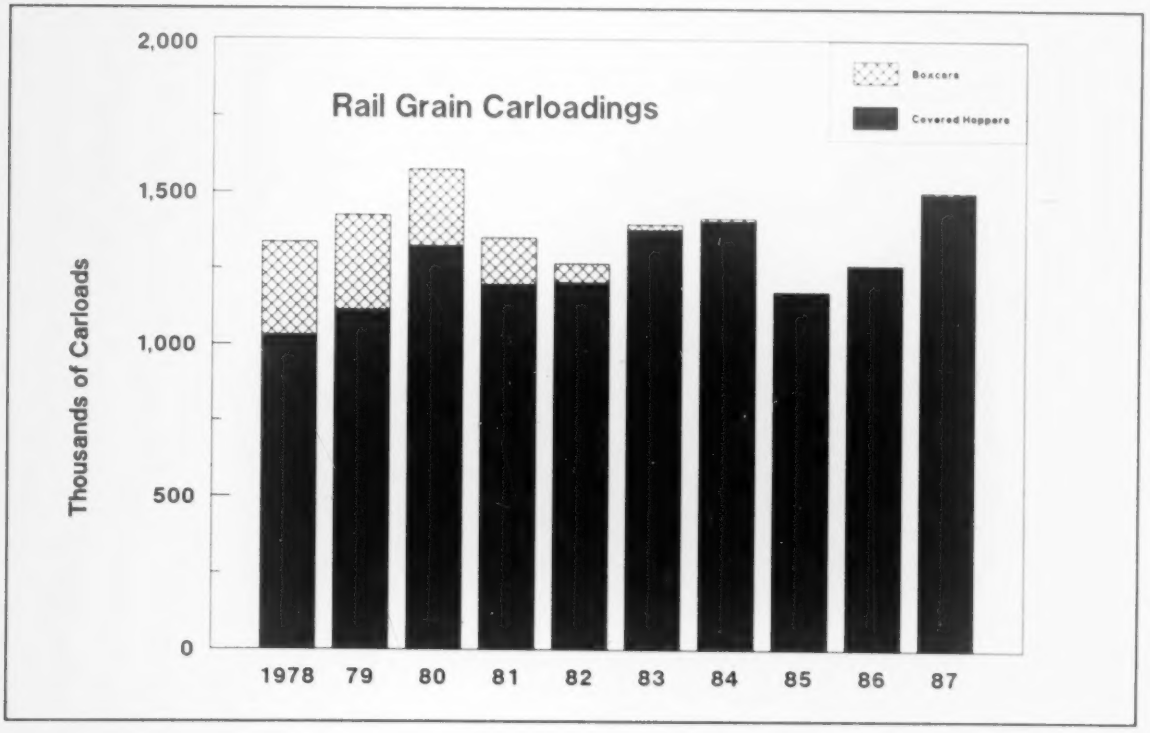


RAILROAD GRAIN TRAFFIC

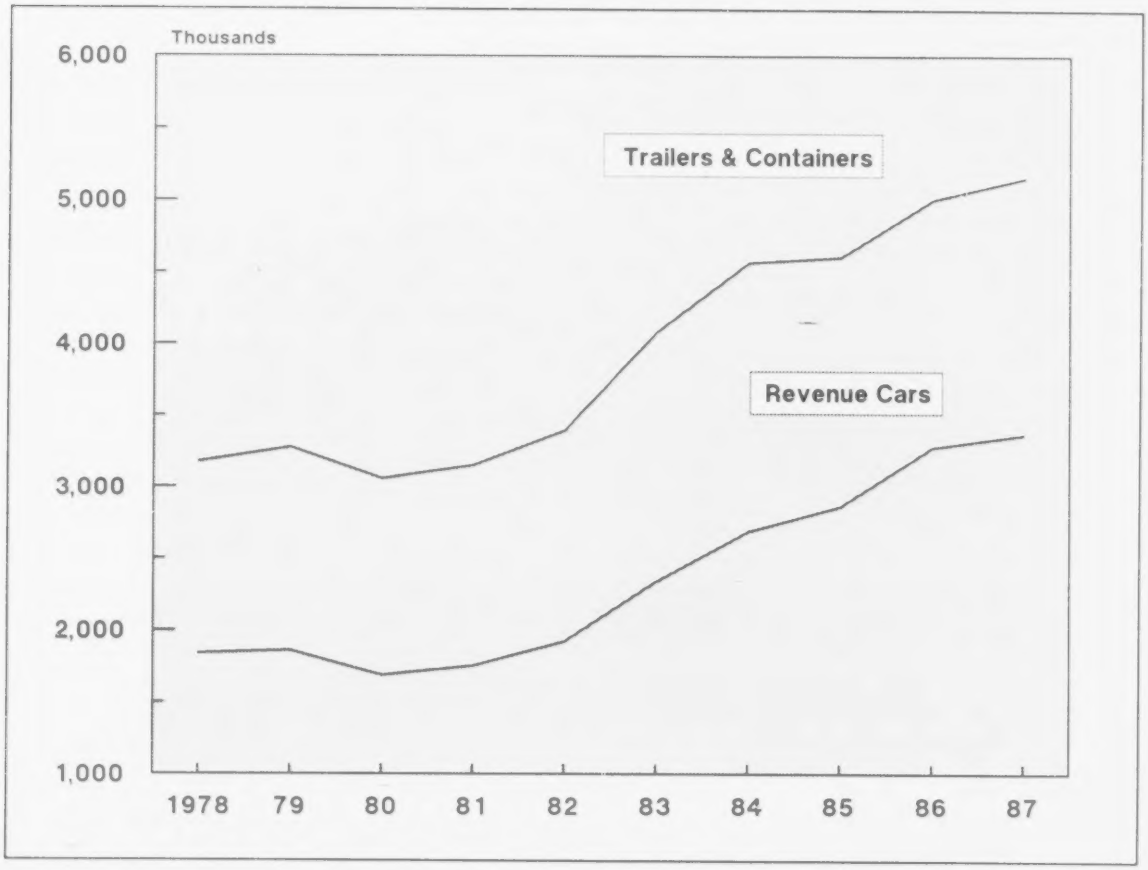
Year	Carloads	Covered Hopper Loads	Percent of Loads in Covered Hoppers	Boxcars Loads	Percent of Loads in Boxcars	Total Bushels (thous.)	Weekly Average (Mil. Bu.)
1978	1,340,308	1,031,565	77.0 %	308,743	23.0 %	4,124,807	79.3
1979	1,425,007	1,114,102	78.2	310,905	21.8	4,409,757	84.8
1980	1,575,256	1,323,705	84.0	251,551	16.0	5,003,699	96.2
1981	1,350,746	1,197,991	88.7	152,755	11.3	4,378,679	84.2
1982	1,267,582	1,205,489	95.1	62,093	4.9	4,222,849	81.2
1983	1,396,734	1,379,018	98.7	17,716	1.3	4,724,093	89.1
1984	1,417,793	1,408,661	99.4	9,132	0.6	4,807,711	92.5
1985	1,176,576	1,171,818	99.6	4,758	0.4	3,993,697	76.8
1986	1,264,882	1,259,632	99.6	5,250	0.4	4,293,249	82.6
1987	1,505,206	1,498,464	99.6	6,742	0.4	5,108,262	98.2

Note: Assumes average of 2,000 bushels per boxcar and 3,400 bushels per covered hopper.

Source: AAR Transportation Division.



RAILROAD PIGGYBACK TRAFFIC



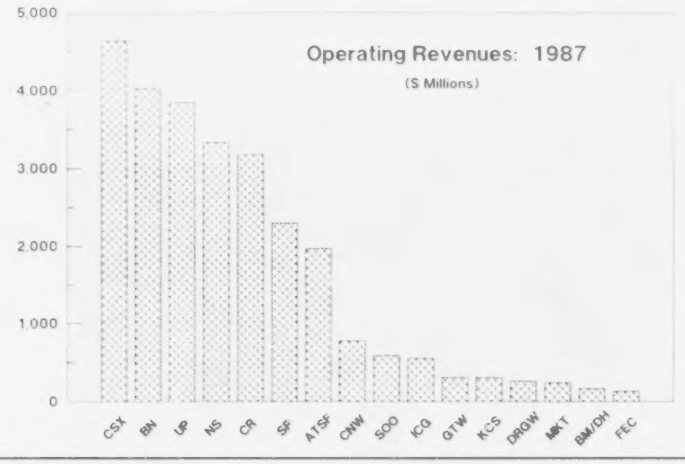
Year	Revenue Cars	Trailers & Containers
1978	1,840,588	3,177,291
1979	1,857,705	3,278,163
1980	1,687,121	3,059,402
1981	1,752,479	3,150,522
1982	1,920,377	3,396,973
1983	2,338,527	4,083,938
1984	2,690,659	4,569,094
1985	2,862,626	4,605,099
1986	3,278,869	5,005,968
1987	3,369,589	5,155,737

Source: AAR Transportation Division.

RANKING OF RAILROAD SYSTEMS BY OPERATING REVENUES: 1987

System/Railroad	Operating Revenues (thousands)	Percent of Total	Cumulative
1. CSX Corporation	$4,634,152	17.4 %	17.4 %
2. Burlington Northern	4,028,709	15.1	32.5
3. Union Pacific	3,847,905	14.5	47.0
4. Norfolk Southern Corporation	3,335,554	12.5	59.5
5. Conrail	3,180,062	11.9	71.4
6. Southern Pacific Transportation Co.	2,299,352	8.6	80.0
Southern Pacific	1,925,256	7.2	
St. Louis Southwestern	374,096	1.4	
7. Atchison, Topeka & Santa Fe	1,969,121	7.4	87.4
8. Chicago & North Western	777,076	2.9	90.3
9. Soo Line	589,428	2.2	92.5
10. Illinois Central Gulf	548,636	2.1	94.6
11. Grand Trunk Western	307,720	1.2	95.8
12. Kansas City Southern	305,842	1.2	97.0
13. Denver & Rio Grande Western	261,033	1.0	98.0
14. Missouri-Kansas-Texas	241,770	0.9	98.9
15. Guilford Transportation Industries	165,864	0.6	99.5
Boston & Maine	85,522	0.3	
Delaware & Hudson	80,342	0.3	
16. Florida East Coast	130,258	0.5	100.0
	$26,622,482	100.0 %	

Source: Analysis of Class I Railroads.

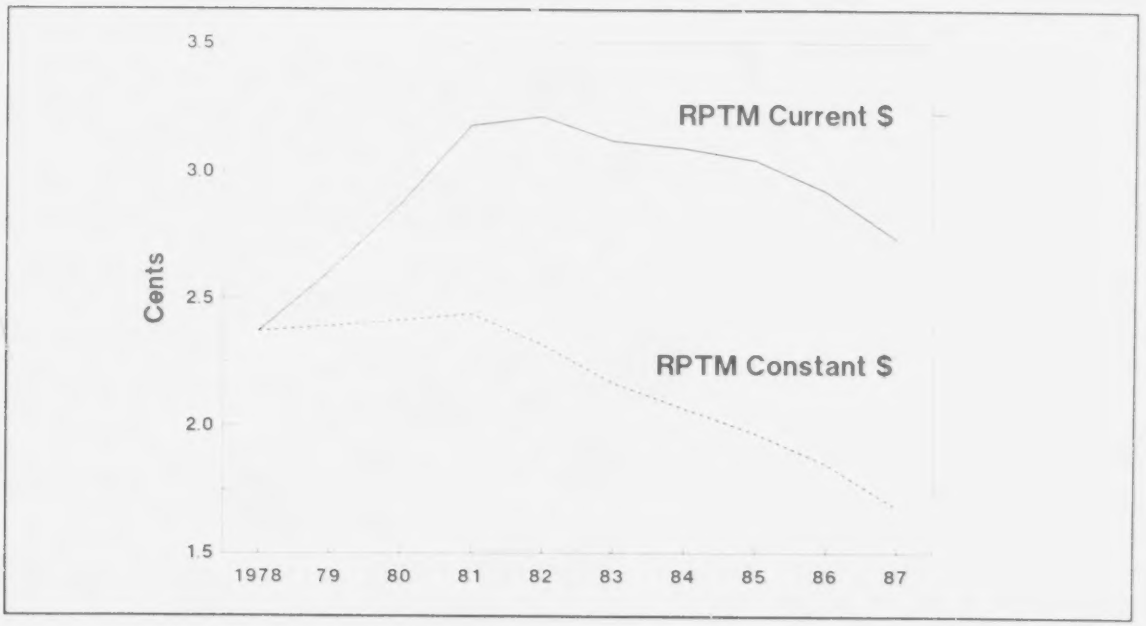


REVENUE PER TON-MILE IN CURRENT AND CONSTANT DOLLARS

Year	Freight Revenue Per Ton-Mile	
	Current $	Constant $
1978	2.371 c	2.371 c
1979	2.605	2.392
1980	2.867	2.413
1981	3.178	2.439
1982	3.212	2.317
1983	3.119	2.167
1984	3.090	2.067
1985	3.043	1.970
1986	2.921	1.849
1987	2.733	1.679

Note: Revenue per ton-mile deflated by the GNP Implicit Price Deflator.

Source: Analysis of Class I Railroads.



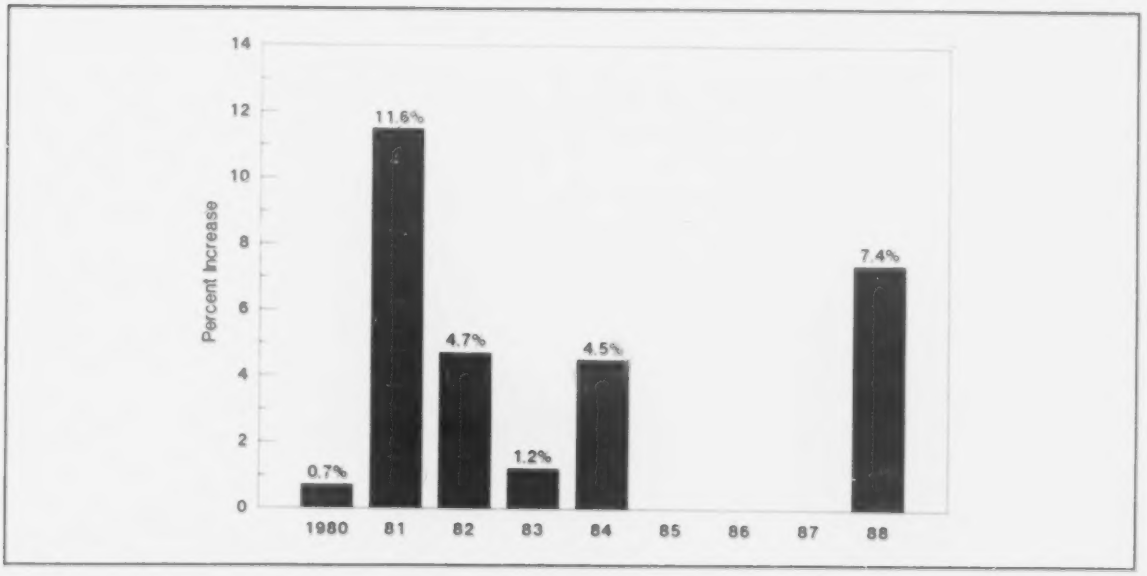
RCAF - ALLOWED RATE ACTIONS

Year		Percent Increase
1980	1	0.7 %
1981		11.6
1982		4.7
1983		1.2
1984		4.5
1985		0
1986	2	0
1987		0
1988		7.4

1 RCAF in effect fourth quarter only.

2 A 1.1 percent first quarter increase was required to be rolled back in the fourth quarter.

Source: AAR Railroad Cost Indexes.

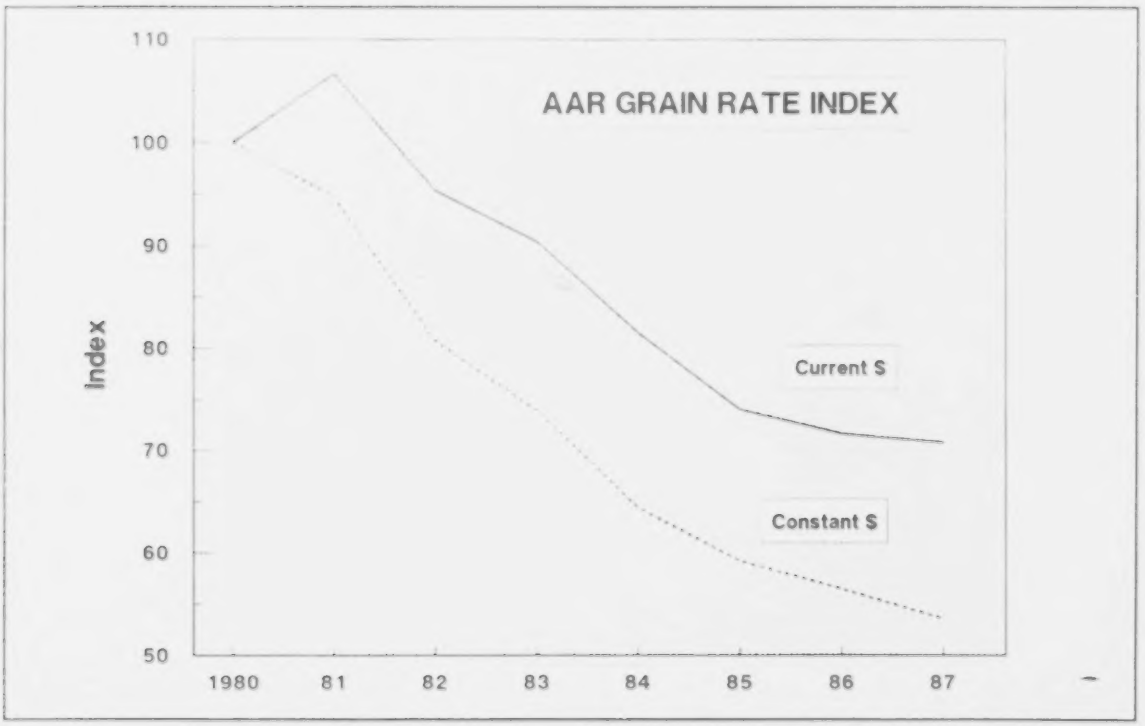


RAILROAD GRAIN FREIGHT RATE INDEX

Year	Current $	Constant $
1980	100.0	100.0
1981	106.6	94.7
1982	95.3	80.7
1983	90.4	73.9
1984	81.5	64.4
1985	74.0	59.2
1986	71.6	56.5
1987	70.8	53.6

Note: The constant dollar indexes are calculated by deflating the current dollar index by the AAR's Railroad Cost Recovery Index.

Source: AAR annual grain rate index.

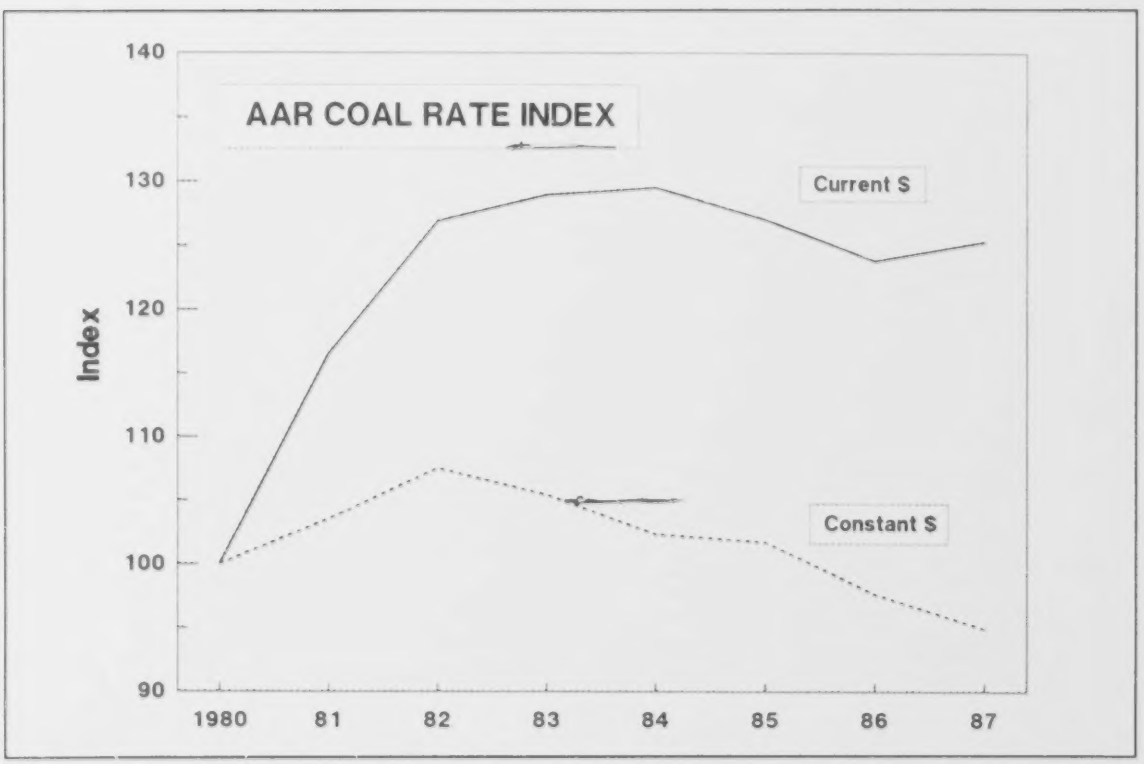


RAIL COAL FREIGHT RATE INDEX

Year	Current $	Constant $
1980	100.0	100.0
1981	116.5	103.5
1982	126.9	107.5
1983	128.9	105.4
1984	129.5	102.3
1985	127.0	101.7
1986	123.8	97.6
1987	125.3	94.9

Note: The constant dollar indexes are calculated by deflating the current dollar index by the AAR's Railroad Cost Recovery Index.

Source: AAR annual coal rate index.



FINANCIAL STATISTICS

NOTES

- Beginning in 1983 , the ICC required the railroad industry to change its method of accounting for track and related structures. Track structure includes the cost of rails, ties, other track material, ballast, and track laying and surfacing labor. Prior to 1983, the RRB (Retirement, Replacement, Betterment) method was used, whereby new track structures and ensuing betterments were capitalized, but not depreciated; track repairs and replacements in kind were expensed. The original cost, less salvage value, was charged to expense only when the track structure was retired, such as in an abandonment or major realignment of the track. When railroads changed to the more traditional method of Ratable Depreciation in 1983, the ICC directed the industry to restate the value of track assets by recording the actual cost of track structure in place reduced by accumulated depreciation (based on the expired portion of the track structure's estimated useful life). Because of this change in accounting for track structures, certain pre- and post-1983 financial data are not comparable. For example, income statement and balance sheet accounts are affected by the change. On the Statement of Financial Results (income statement), in addition to the increase in depreciation expense and the decrease in maintenance expenses, the income taxes and all the income accounts including Net Railway Operating Income are affected. On the Statement of Financial Position (balance sheet), the change affected the balance in net road assets, accumulated deferred taxes, and shareholders' equity accounts. Finally, capital expenditures for road increased. The change to depreciation accounting by the railroad industry resulted in all transportation operating properties reporting on a uniform accounting basis and enhanced comparability of railroad financial reports with those of other transportation companies and other industries.

- In 1985, 1986 and 1987 some railroads recorded significant "special charges" to recognize the diminished value of certain assets and to record the cost associated with programs to reduce employee levels. The railroads reported these expenses in two categories: "railway operating expenses," and "unusual and infrequent items." For purposes of calculating ROI (return on investment), the ICC excluded all special charges from net railway operating income, and thus from the ROI calculation. Therefore, the ROI shown in TRENDS excludes special charges declared by the railroad industry in 1985, 1986 and 1987.

- The 1985 through 1987 NROI figures shown on page 46 do not match those on page 61 due to the differing treatment of special charges. The figures on page 46 include special charges as reported by the railroads, which were subsequently reclassified by the ICC for Revenue Adequacy Proceedings. The figures on page 61 are based on those used by the ICC in Revenue Adequacy Proceedings and eliminate the effect of those special charges.

STATEMENT OF FINANCIAL RESULTS

(Millions of Dollars)

	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
OPERATING REVENUES										
Freight	$20,338	$23,576	$26,350	$28,925	$25,627	$25,836	$28,472	$26,688	$25,344	$25,797
Passenger	362	389	446	542	578	109	101	103	108	94
All Other Revenues	1,128	1,387	1,462	1,432	1,299	784	880	795	752	731
Total Operating Revenues	$21,828	$25,352	$28,258	$30,899	$27,504	$26,729	$29,453	$27,586	$26,204	$26,622
OPERATING EXPENSES										
Way & Structures	$4,070	$4,601	$4,940	$5,536	$5,209	$4,107	$4,250	$4,333	$4,780	$4,338
Equipment	5,437	6,038	6,412	6,867	6,413	6,070	6,573	6,350	6,573	6,094
Transportation	9,655	11,392	12,711	13,605	12,366	11,377	12,282	11,722	10,197	10,381
General & Administration	1,959	2,058	2,292	2,579	2,502	2,551	2,696	2,822	3,347	3,065
Total Operating Expenses	$21,121	$24,090	$26,355	$28,587	$26,490	$24,106	$25,800	$25,225	$24,896	$23,878
NET REVENUE FROM OPERATIONS	$706	$1,263	$1,902	$2,312	$1,013	$2,623	$3,653	$2,361	$1,308	$2,744
OPERATING RATIO	96.76%	95.02%	93.27%	92.52%	96.32%	90.19%	87.60%	91.44%	95.01%	89.69%
OTHER INCOME	$890	$1,106	$1,236	$2,113	$1,667	$1,266	$1,521	$1,336	$1,502	$1,444
OTHER DEDUCTIONS	191	186	242	278	215	281	281	305	330	256
INCOME BEFORE FIXED CHARGES	$1,405	$2,183	$2,897	$4,147	$2,465	$3,608	$4,893	$3,393	$2,480	$3,932
TOTAL FIXED CHARGES	$787	$847	$1,022	$1,119	$1,065	$989	$990	$934	$901	$904
INCOME AFTER FIXED CHARGES	$617	$1,336	$1,875	$3,028	$1,399	$2,619	$3,903	$2,459	$1,579	$3,028
Contingent Interest	21	20	19	23	21	17	18	12	12	11
Unusual or Infrequent Items (dr.) cr.	(54)	(8)	(135)	18	114	26	1		(657)	
Provision for Taxes:										
Federal	154	153	241	(5)	(50)	(52)	201	260	442	595
State & Other	35	57	70	50	(9)	8	54	35	47	86
Provision for Deferred Taxes	96	214	281	937	399	895	930	365	(327)	370
Total Taxes	$285	$424	$592	$982	$340	$851	$1,185	$660	$163	$1,051
NET INCOME FROM CONTING. OPERATIONS	$258	$884	$1,129	$2,041	$1,152	$1,778	$2,702	$1,788	$747	$1,965
Discontinued Operations (dr.) cr.	--	--	--	--	--	--	(48)	--	--	--
ORDINARY INCOME	$258	$884	$1,129	$2,041	$1,152	$1,778	$2,654	$1,788	$747	$1,965
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES (dr.) cr.	(56)	30	--	100	--	20	47	93	(203)	90
NET INCOME	$202	$913	$1,129	$2,141	$1,152	$1,797	$2,701	$1,882	$544	$2,055

STATEMENT OF FINANCIAL POSITION

(Millions of Dollars)

	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
ASSETS										
Current Assets:										
Cash & Short Term Investments	$1,638	$1,577	$1,864	$2,807	$2,915	$2,660	$3,336	$2,677	$2,692	$2,353
Accounts Receivable (Net)	3,612	4,364	4,723	4,728	4,042	4,623	4,814	5,070	4,879	4,421
Materials and Supplies	1,283	1,610	1,795	1,724	1,516	1,175	1,294	1,145	928	866
Other Current Assets	283	230	295	405	341	347	377	458	635	576
Total Current Assets	**$6,816**	**$7,781**	**$8,678**	**$9,665**	**$8,813**	**$8,804**	**$9,821**	**$9,350**	**$9,132**	**$8,216**
Total Other Assets	**$4,406**	**$5,107**	**$5,571**	**$6,273**	**$5,923**	**$5,694**	**$5,677**	**$4,627**	**$3,074**	**$3,177**
Road and Equipment:										
Road	$17,169	$16,940	$18,268	$19,642	$20,676	$36,943	$39,129	$41,161	$42,355	$42,888
Equipment	19,696	21,020	22,921	23,718	23,688	22,624	22,321	21,908	21,475	21,197
Unallocated Items	498	834	820	688	647	874	973	756	795	1,203
Accum. Depr. & Amort.	10,065	10,201	10,744	11,537	11,980	19,526	19,879	19,638	20,889	21,099
Net Road and Equipment	**$27,298**	**$28,593**	**$31,265**	**$32,512**	**$33,031**	**$40,916**	**$42,545**	**$44,186**	**$43,736**	**$44,188**
TOTAL ASSETS	**$38,520**	**$41,480**	**$45,514**	**$48,450**	**$47,767**	**$55,414**	**$58,043**	**$58,163**	**$55,942**	**$55,581**
LIABILITIES										
Current Liabilities:										
Accounts Payable	$4,185	$5,012	$5,545	$5,815	$5,468	$5,458	$5,886	$6,193	$6,347	$5,934
Taxes Accrued	620	572	610	600	553	564	595	539	588	697
Other Current Liabilities	599	629	617	511	410	452	516	521	482	547
Equip. Obligatns. & Other LTD Due Within One Year	852	1,002	985	1,048	1,011	1,004	980	1,015	972	1,004
Total Current Liabilities	**$6,255**	**$7,214**	**$7,756**	**$7,973**	**$7,442**	**$7,479**	**$7,977**	**$8,267**	**$8,390**	**$8,182**
Long Term Liabilities:										
Funded Debt Unmatured	$4,535	$4,367	$4,486	$4,245	$4,001	$4,113	$4,169	$3,822	$4,061	$3,147
Equipment Obligations	5,124	5,624	6,164	6,204	5,741	5,131	4,691	4,353	3,927	3,454
Capital Lease Obligations	1,185	1,276	1,481	1,488	1,403	1,360	1,373	1,295	1,224	1,099
Debt in Default	344	207	207	170	170	141	56	0	0	0
Accounts Payable Affil. Co.	312	275	391	372	414	388	431	798	627	687
Accum. Deferred Income Tax Cred.	3,374	3,537	3,794	4,746	5,139	8,485	9,450	10,130	9,686	9,920
Other Long Term Liabilities	1,656	1,627	1,835	1,998	2,109	1,856	1,912	1,893	2,587	3,476
Total Long Term Liabilities	**$16,530**	**$16,913**	**$18,358**	**$19,223**	**$18,977**	**$21,473**	**$22,080**	**$22,291**	**$22,111**	**$21,783**
TOTAL LIABILITIES	**$22,785**	**$24,127**	**$26,114**	**$27,197**	**$26,419**	**$28,952**	**$30,057**	**$30,558**	**$30,501**	**$29,965**
SHAREHOLDERS' EQUITY										
Capital Stock:										
Common Stock	$3,533	$3,364	$3,549	$3,661	$3,634	$3,450	$3,304	$3,179	$2,937	$2,720
Preferred Stock	589	861	930	908	924	872	872	695	551	313
Total	$4,122	$4,225	$4,478	$4,569	$4,558	$4,322	$4,176	$3,874	$3,489	$3,032
Additional Capital	4,159	5,290	6,806	7,092	7,301	6,487	6,503	6,496	6,259	6,095
Retained Earnings	7,569	7,952	8,199	9,645	9,504	15,666	17,318	17,244	15,699	16,497
Less: Treasury Stock	114	114	83	53	14	14	11	9	5	8
Net Shareholders' Equity	**$15,735**	**$17,353**	**$19,400**	**$21,253**	**$21,349**	**$26,461**	**$27,986**	**$27,605**	**$25,442**	**$25,616**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$38,520**	**$41,480**	**$45,514**	**$48,450**	**$47,767**	**$55,414**	**$58,043**	**$58,163**	**$55,942**	**$55,581**

STATEMENT OF CHANGES IN FINANCIAL POSITION

(Millions of Dollars)

	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
SOURCES:										
Net Income from Continuing Operations	$258	$884	$1,129	$2,041	$1,152	$1,778	$2,702	$1,788	$747	$1,965
Retirement of Non-Depreciated Property	40	20	25	33	66	NR	NR	NR	NR	NR
Loss on Sale/Disposal of Tangible Property	(48)	(65)	(122)	(123)	(150)	(86)	(74)	(133)	(169)	(148)
Depreciation Amortization Expense	998	1,053	1,185	1,213	1,231	1,866	1,882	2,193	2,919	2,252
Net Increase in Deferred Income Taxes	96	215	292	926	419	1,011	926	423	(316)	414
Net Decr. Parents' Share Subs. Undistrib. Income for Year	(109)	(202)	(153)	(380)	8	36	(122)	69	(6)	(69)
Net Increase Noncurrent Portion Estimated Liabilities	169	151	204	(77)	64	55	42	100	326	74
Discontinued Operations, Extraordinary Items, Adjustment for Change in Accounting Principles & Other	78	125	193	271	(18)	447	16	206	861	(20)
Total Working Capital from Operations	$1,482	$2,182	$2,754	$3,902	$2,764	$5,109	$5,372	$4,645	$4,361	$4,469
Proceeds from Issuance of Long Term Liabilities	$1,458	$1,588	$1,907	$1,114	$792	$876	$1,173	$1,064	$829	$811
Proceeds from Sale/Disposal of Carrier Operating Property	245	236	280	414	368	836	385	518	867	578
Proceeds from Sale/Disposal of Tangible Property	63	97	138	139	109	66	72	83	17	38
Proceeds from Sale/Repayment of Investment Advances	127	238	267	503	596	812	1,282	683	300	331
Net Decrease in Sinking Fund & Other Special Funds	326	134	84	71	90	35	110	89	166	21
Proceeds from Issuance of Capital Stock	824	1,030	949	360	63	79	41	1	0	0
Other	742	187	391	375	504	458	359	159	412	149
Working Capital from Sources Other than Operations	$3,786	$3,510	$4,016	$2,976	$2,522	$3,163	$3,421	$2,598	$2,592	$1,928
Total Sources of Working Capital	**$5,267**	**$5,692**	**$6,770**	**$6,879**	**$5,286**	**$8,272**	**$8,793**	**$7,243**	**$6,953**	**$6,397**
USES:										
Acquired or Retired Long-Term Liabilities	$860	$1,058	$1,101	$1,372	$1,422	$1,309	$1,222	$1,317	$1,118	$1,431
Cash Dividends Declared	472	534	572	662	805	1,049	1,039	1,406	1,339	1,231
Purchase Price of Carrier Operating Property	2,708	3,259	3,681	2,697	2,027	4,109	4,137	4,435	3,640	3,071
Purchase Price of Other Tangible Property	74	50	57	68	47	55	37	65	99	75
Purchase Price of Long-Term Investments & Advances	133	319	513	818	793	1,217	1,281	433	212	141
Net Increase in Sinking or Other Special Funds	239	43	65	37	51	58	176	57	6	48
Purchase Price of Treasury Stock	1	1	1	2	1	0	1	0	0	6
Other	712	320	359	443	398	293	428	386	769	976
Total Applications of Working Capital	**$5,200**	**$5,583**	**$6,350**	**$6,102**	**$5,544**	**$8,090**	**$8,320**	**$8,099**	**$7,182**	**$6,979**
Net Increase (Decrease) in Working Capital	**$67**	**$109**	**$420**	**$777**	**($257)**	**$182**	**$473**	**($855)**	**($229)**	**($582)**

NR = No longer reported.

SUMMARY OF NET RAILWAY OPERATING INCOME

(Millions of Dollars)

	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Net Revenue from Operations	$706	$1,263	$1,902	$2,312	$1,013	$2,623	$3,653	$2,361	$1,308	$2,744
Less:										
Income Taxes (Current & Deferred)	285	424	592	982	340	851	1,185	660	163	1,051
Special Charge Adjustment[1]									659	
Income from Lease of Road & Equipment	2	2	3	6	3	4	2	2	2	2
Plus:										
Rent for Leased Roads & Equipment	26	24	30	37	73	70	70	46	24	65
NET RAILWAY OPERATING INCOME	**$446**	**$861**	**$1,339**	**$1,361**	**$742**	**$1,838**	**$2,537**	**$1,746**	**$507**	**$1,756**

[1]Includes special charges reclassified by the ICC for NROI and Revenue Adequacy reporting.

DISTRIBUTION OF RAILWAY OPERATING EXPENSES

(Millions of Dollars)

CATEGORY	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Labor (Salaries and Wages)	$9,138	$10,106	$10,552	$11,094	$10,417	$9,387	$9,895	$9,372	$8,675	$8,429
Health & Welfare, Pensions	732	739	809	1,050	1,058	992	1,105	779	769	797
Payroll Taxes	1,458	1,634	1,630	1,889	1,953	1,795	2,054	2,122	2,183	2,097
Other Taxes	597	571	674	516	276	324	620	682	871	1,086
Fuel & Power	1,502	2,341	3,269	3,765	3,019	2,595	2,780	2,445	1,486	1,663
Other Materials & Supplies & Miscellaneous	4,572	5,131	5,637	6,003	5,270	3,883	4,275	4,589	5,575	4,557
Loss & Damage, Injuries & Insurance	763	917	968	914	855	757	843	921	1,024	1,245
Depreciation	985	1,035	1,155	1,219	1,244	1,833	1,897	2,192	3,032	2,249
Hire of Equip. & Joint Facility Net Rents	1,539	1,805	1,944	2,151	2,270	2,431	2,518	2,373	2,409	2,370
Provision for Deferred Taxes	96	214	281	937	399	895	930	365	(327)	370
TOTAL EXPENSES AND TAXES	**$21,382**	**$24,497**	**$26,919**	**$29,538**	**$26,761**	**$24,892**	**$26,917**	**$25,840**	**$25,697**	**$24,867**

PERCENT DISTRIBUTION

CATEGORY	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Labor (Salaries and Wages)	42.7 %	41.3 %	39.2 %	37.6 %	38.9 %	37.7 %	36.8 %	36.3 %	33.8 %	33.9 %
Health & Welfare, Pensions	3.4	3.0	3.0	3.6	4.0	4.0	4.1	3.0	3.0	3.2
Payroll Taxes	6.8	6.7	6.1	6.4	7.3	7.2	7.6	8.2	8.5	8.4
Other Taxes	2.8	2.3	2.5	1.7	1.0	1.3	2.3	2.6	3.4	4.4
Fuel & Power	7.0	9.6	12.1	12.7	11.3	10.4	10.3	9.5	5.8	6.7
Other Materials & Supplies & Miscellaneous	21.4	20.9	20.9	20.3	19.7	15.6	15.9	17.8	21.7	18.3
Loss & Damage, Injuries & Insurance	3.6	3.7	3.6	3.1	3.2	3.0	3.1	3.6	4.0	5.0
Depreciation	4.6	4.2	4.3	4.1	4.6	7.4	7.0	8.5	11.8	9.0
Hire of Equip. & Joint Facility Net Rents	7.2	7.4	7.2	7.3	8.5	9.8	9.4	9.2	9.4	9.5
Provision for Deferred Taxes	0.4	0.9	1.0	3.2	1.5	3.6	3.5	1.4	-1.3	1.5
TOTAL EXPENSES AND TAXES	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**

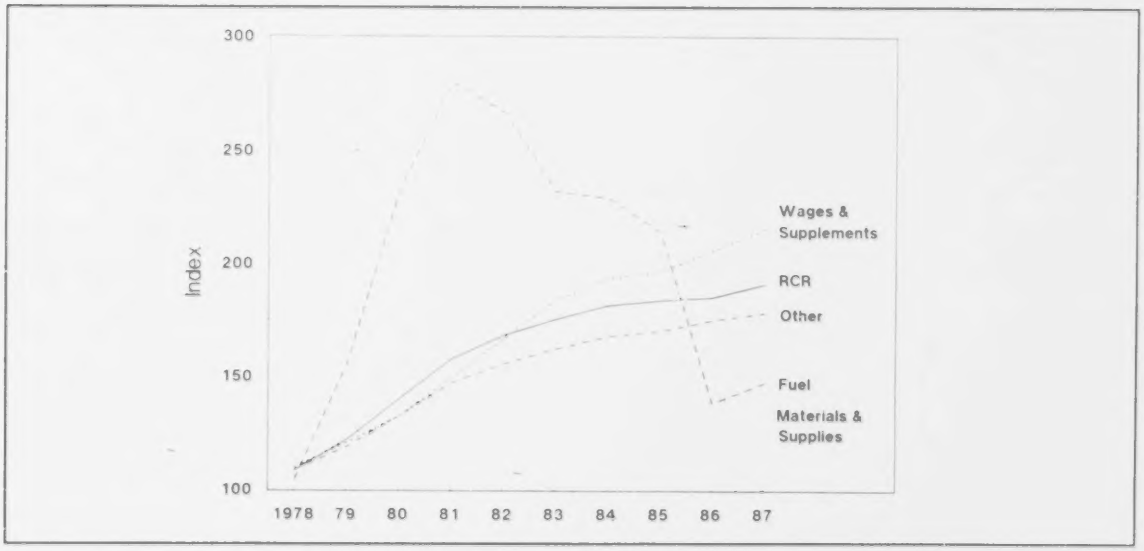
RAILROAD INFLATION

(1977=100)

Year	Railroad Cost Recovery Index	Wages and Supplements	Materials and Supplies	Fuel	Other Expenses
1978	108.5	109.8	106.2	104.4	108.8
1979	122.1	120.8	116.4	155.5	119.0
1980	140.1	132.5	134.2	233.1	132.6
1981	157.7	149.4	145.2	280.2	147.2
1982	168.3	167.0	146.3	267.1	155.7
1983	175.5	184.2	140.0	232.2	162.4
1984	181.7	193.9	139.6	229.4	167.9
1985	183.9	196.7	144.6	214.5	170.2
1986	185.3	206.1	141.6	138.4	175.2
1987	191.2	215.7	133.9	147.4	178.4

Note: Other expenses includes equipment rents, purchased services, depreciation, interest, taxes (other than income and payroll), and all other operating expenses.

Source: AAR Railroad Cost Indexes.



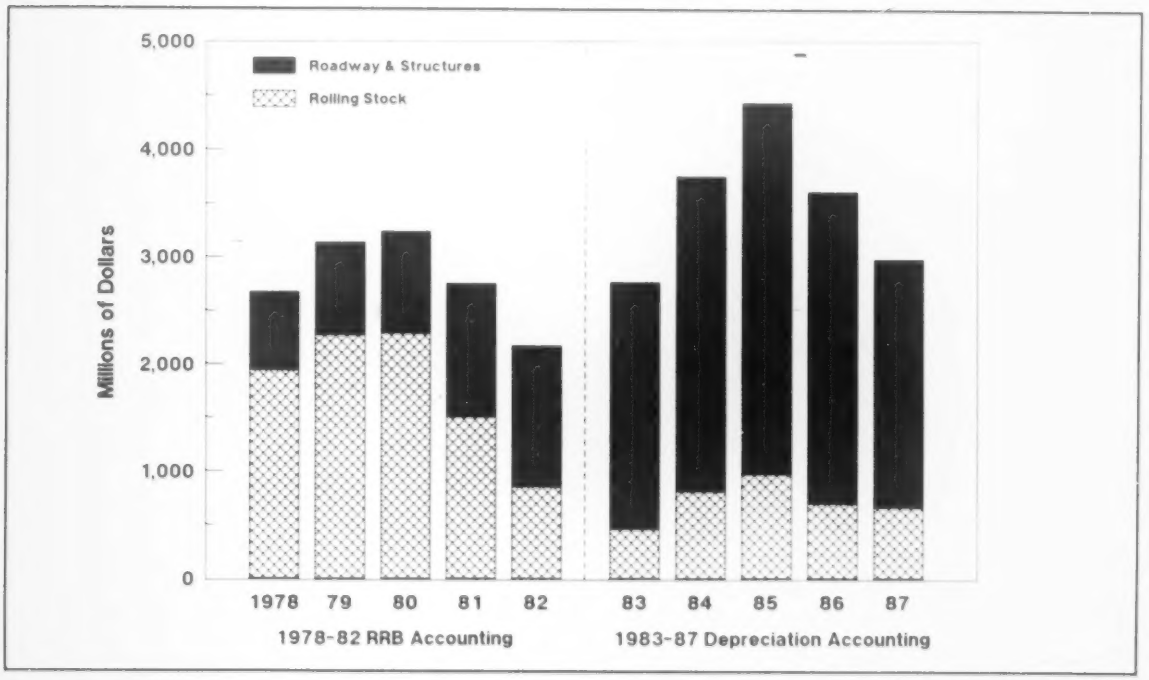
RAILROAD CAPITAL EXPENDITURES FOR ROADWAY AND EQUIPMENT

(Millions of Dollars)

Year	Capital Expenditures	Rolling Stock	Percent of Total	Roadway & Struct.	Percent of Total
1978	$2,673	$1,939	72.5 %	$733	27.4 %
1979	3,130	2,264	72.3	866	27.7
1980	3,234	2,280	70.5	953	29.5
1981	2,750	1,502	54.6	1,248	45.4
1982	2,166	848	39.2	1,318	60.8
1983	2,761	455	16.5	2,306	83.5
1984	3,744	806	21.5	2,938	78.5
1985	4,423	965	21.8	3,458	78.2
1986	3,601	693	19.2	2,908	80.8
1987	2,971	657	22.1	2,314	77.9

Note: Rolling stock includes cars, locomotives and cabooses. Roadway includes terminals, track, bridges and structures, classification yards and port terminals. The substantial increase in capital expenditures for Roadway and Structures since 1983 is attributable in part to the change to Depreciation Accounting.

Source: Analysis of Class I Railroads.



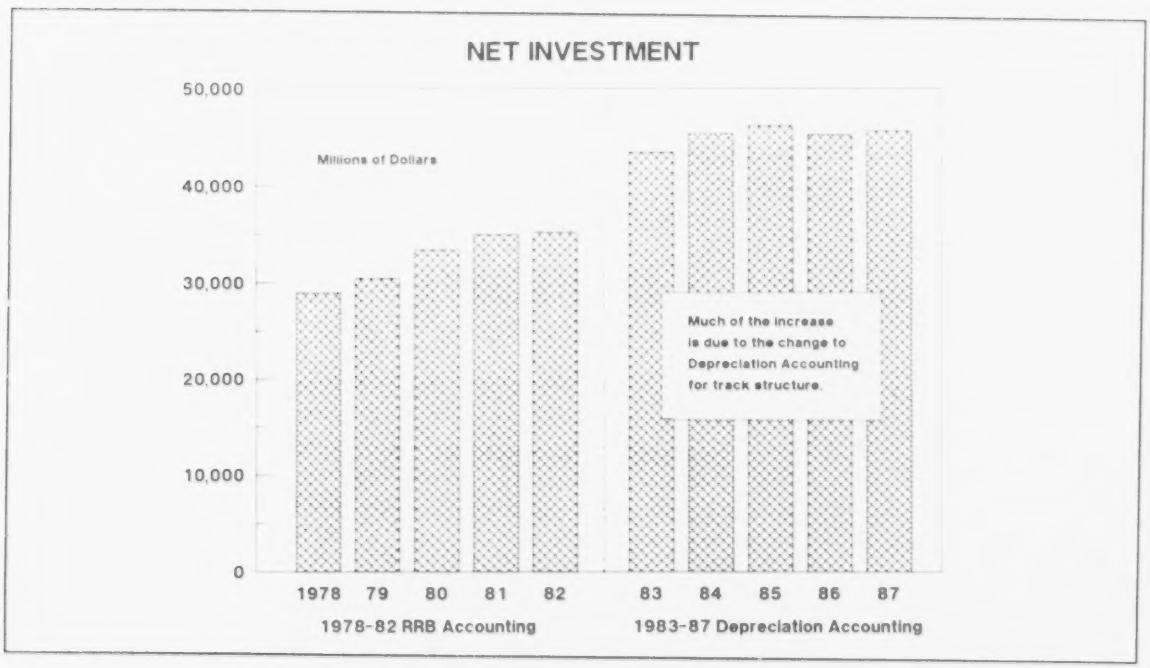
RAILROAD PROPERTY INVESTMENT

(Millions of Dollars)

At Year End	Investment Property Used In Railroad Service	Working Capital Allowed	Gross Investment	Accumulated Depreciation and Amortization	Net Investment
1978	$37,581	$1,621	$39,201	$10,255	$28,946
1979	38,975	1,818	40,793	10,354	30,439
1980	42,107	2,159	44,266	10,847	33,419
1981	44,175	2,444	46,619	11,622	34,997
1982	45,140	2,172	47,311	12,051	35,261
1983	61,066	1,897	62,964	19,480	43,483
1984	63,306	2,228	65,534	20,098	45,435
1985	64,074	1,919	65,993	19,756	46,237
1986	64,602	1,681	66,284	20,940	45,344
1987	65,121	1,639	66,760	21,070	45,690

Note: 1978 working capital was based on the cash and materials-supplies account; 1979-87 was based on Schedule 245 of R-1 Annual Report.

Source Analysis of Class I Railroads.

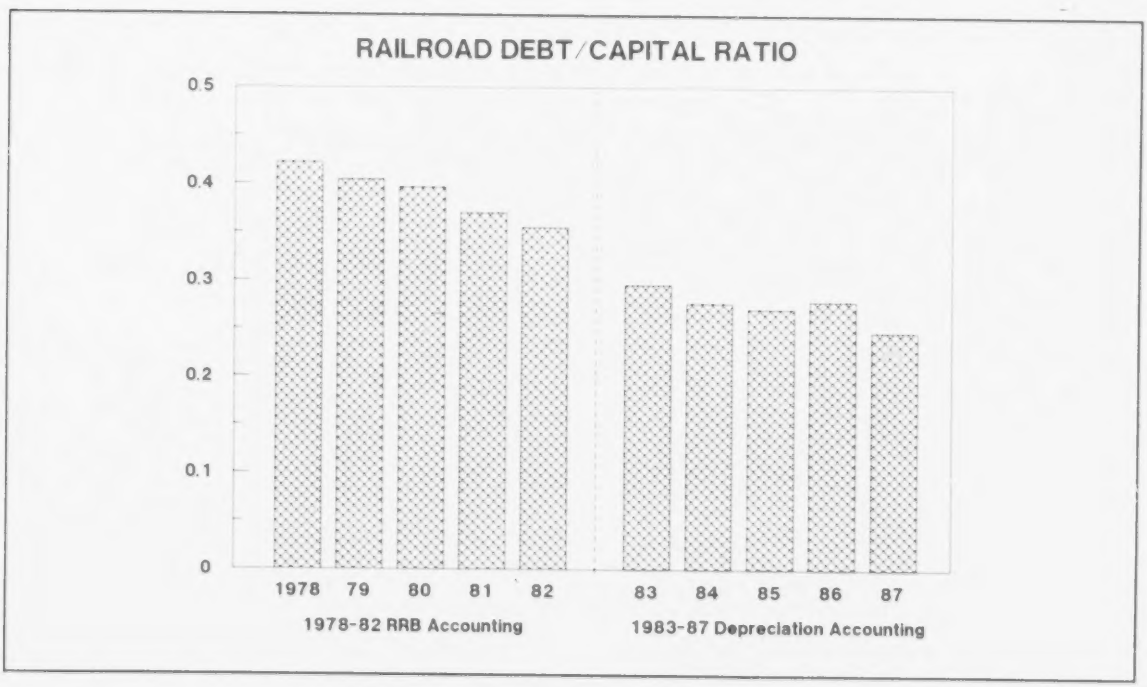


RAILROAD DEBT / CAPITAL RATIO

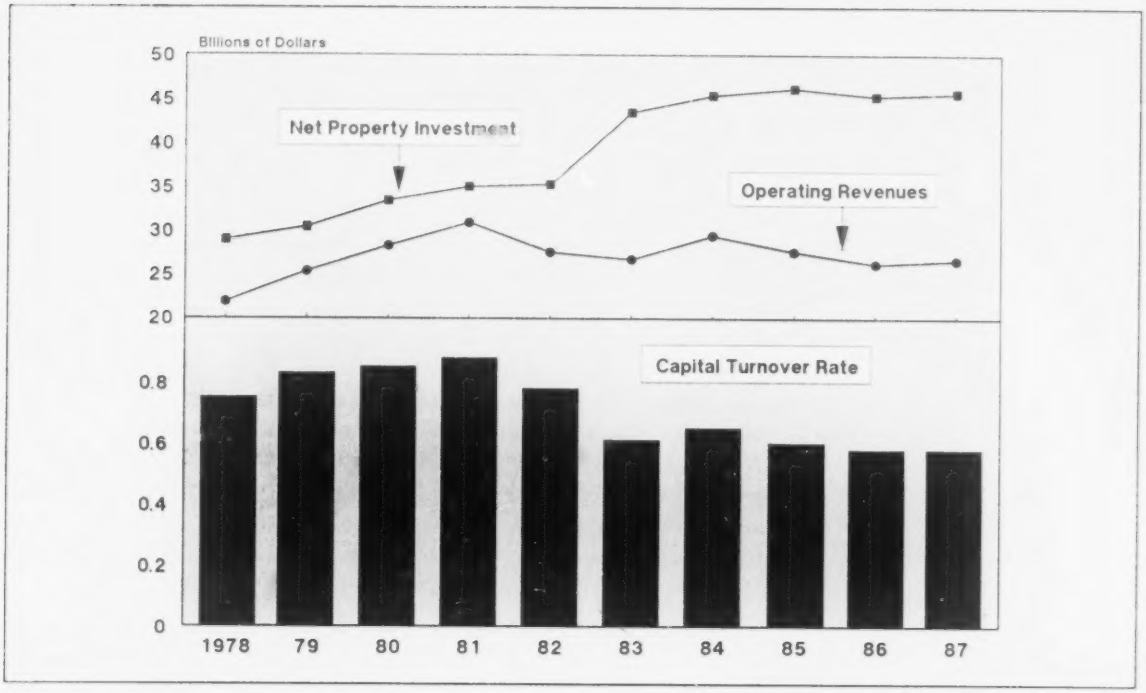
(Millions of Dollars)

Dec. 31	Long-Term Debt	Total Capital	Debt/ Capital Ratio
1978	$11,500	$27,235	.422
1979	11,750	29,103	.404
1980	12,730	32,130	.396
1981	12,479	33,732	.370
1982	11,729	33,078	.355
1983	11,132	37,594	.296
1984	10,719	38,705	.277
1985	10,267	37,873	.271
1986	9,838	35,280	.279
1987	8,387	34,003	.247

Source: Analysis of Class I Railroads.



RAILROAD INVESTMENT TURNOVER



(Millions of Dollars)

Year	Operating Revenues	Net Property Investment	Capital Turnover Rate
1978	$21,828	$28,946	.75
1979	25,352	30,439	.83
1980	28,258	33,419	.85
1981	30,899	34,997	.88
1982	27,504	35,261	.78
1983	26,729	43,483	.61
1984	29,453	45,435	.65
1985	27,586	46,237	.60
1986	26,204	45,344	.58
1987	26,622	45,690	.58

Note: The increase in net property investment in 1983 is attributable in large part to the change to Depreciation Accounting for track structures. Net property investment includes an allowance for working capital.

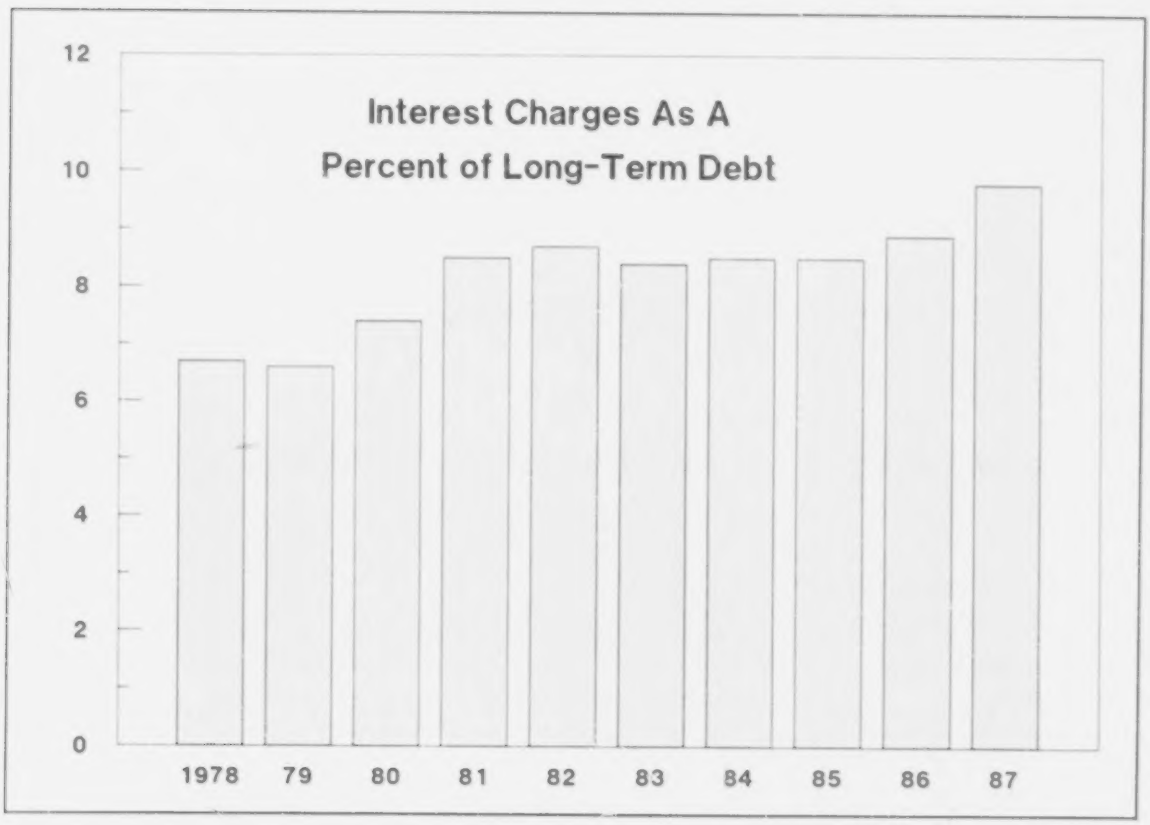
Source Analysis of Class I Railroads.

RAILROAD LONG-TERM DEBT AND INTEREST CHARGES

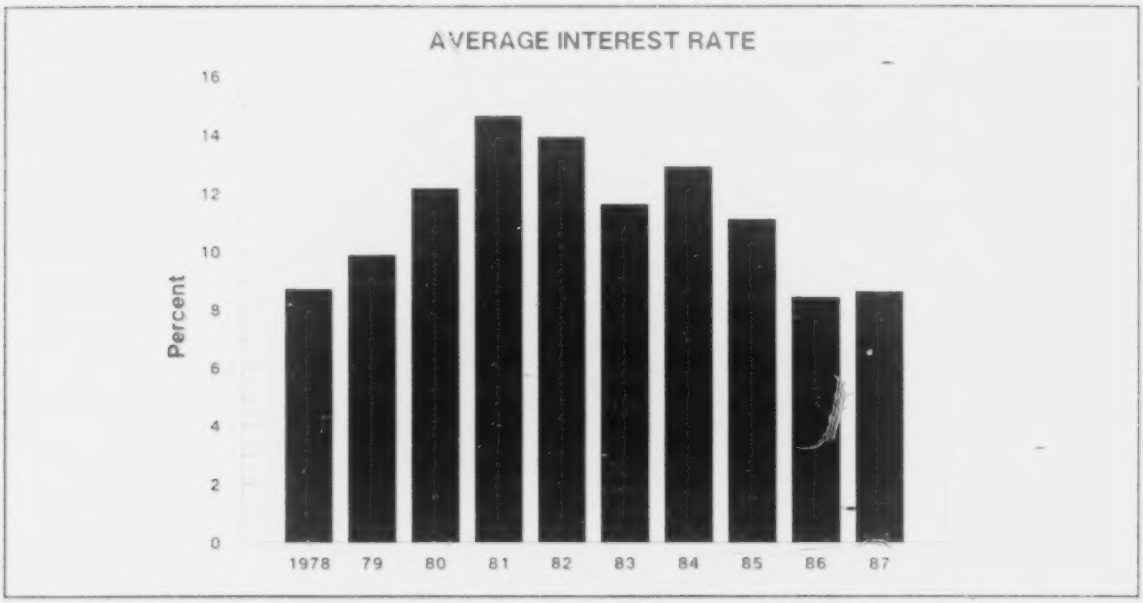
(Millions of Dollars)

Year	Long-Term Debt Due After One Year	Interest Charges On Funded Debt	Interest Charges As A Percent of Long-Term Debt
1978	$11,500	$768	6.7 %
1979	11,750	773	6.6
1980	12,730	940	7.4
1981	12,479	1,057	8.5
1982	11,729	1,019	8.7
1983	11,133	939	8.4
1984	10,718	916	8.5
1985	10,267	877	8.5
1986	9,838	875	8.9
1987	8,387	819	9.8

Source: Analysis of Class I Railroads.



EQUIPMENT OBLIGATIONS



(Millions of Dollars)

Year	Issued During Year	Outstanding At End of Year	Average Interest Rate on Issues During Year
1978	$841.8	$5,123.8	8.71 %
1979	850.6	5,624.4	9.88
1980	1,043.4	6,164.1	12.17
1981	704.8	6,204.4	14.65
1982	251.5	5,740.8	13.93
1983	236.5	5,130.8	11.63
1984	221.0	4,690.7	12.92
1985	569.8	4,352.9	11.12
1986	161.3	3,927.3	8.44
1987	140.3	3,454.0	8.64

Note: Average interest rates are based on "Analytical Record of Yields and Yield Spreads," Salomon Brothers, Inc.

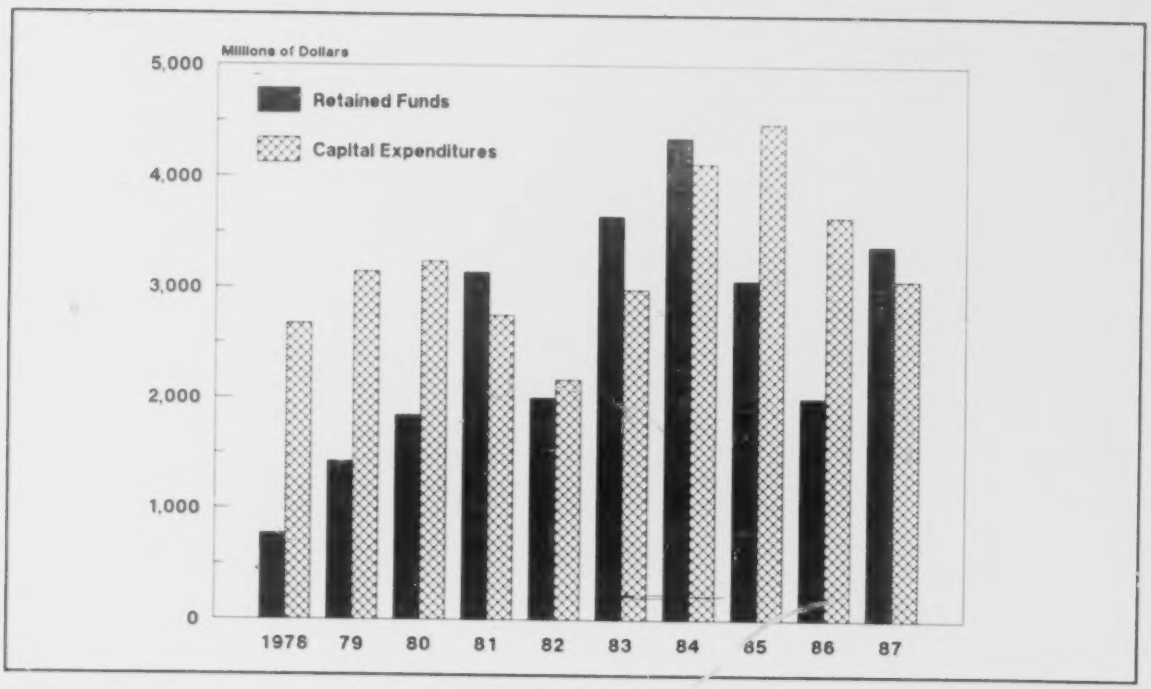
Source: Analysis of Class I Railroads, Salomon Brothers, Inc.

RETAINED FUNDS AND CAPITAL EXPENDITURES

Year	Retained Funds	Capital Expenditures
1978	$771.0	$2,672.5
1979	1,420.7	3,145.0
1980	1,842.4	3,238.4
1981	3,136.7	2,751.0
1982	2,003.1	2,167.8
1983	3,645.0	2,984.7
1984	4,349.6	4,120.6
1985	3,066.8	4,485.3
1986	2,004.7	3,645.3
1987	3,388.1	3,075.7

Note: Retained funds represents income before extraordinary charges, plus deferred taxes and depreciation, less cash dividends and equity in undistributed earnings of affiliated companies.

Source: Analysis of Class I Railroads.

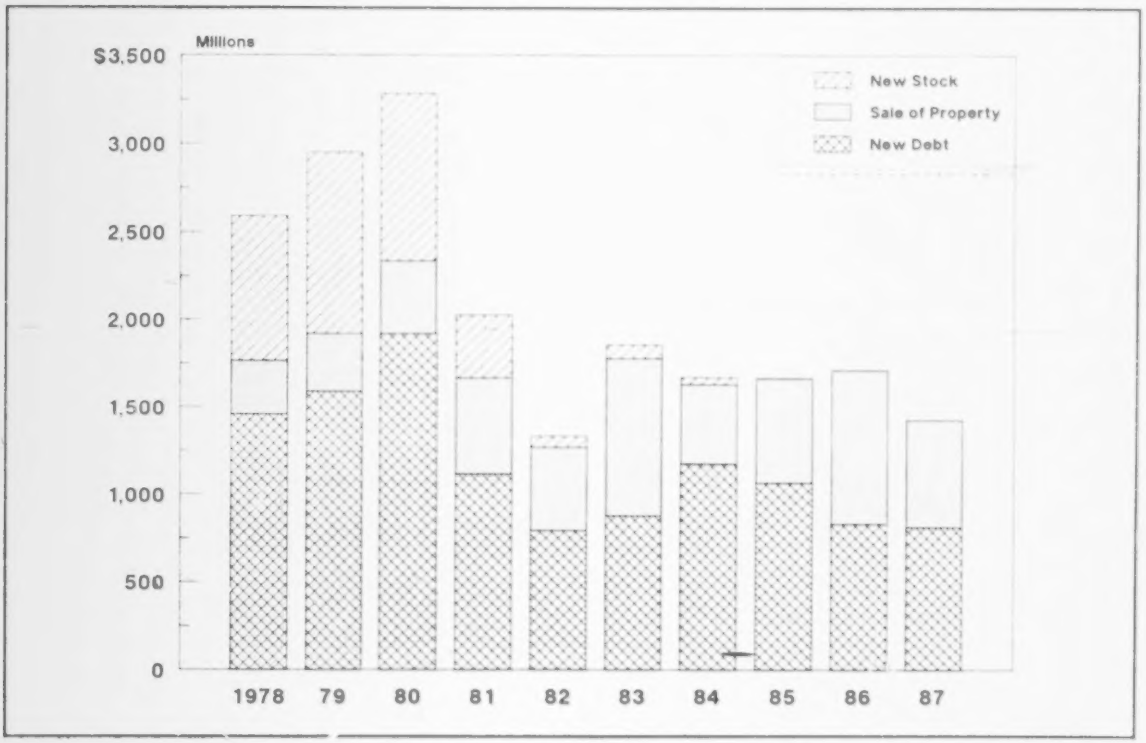


EXTERNAL SOURCES OF FUNDS

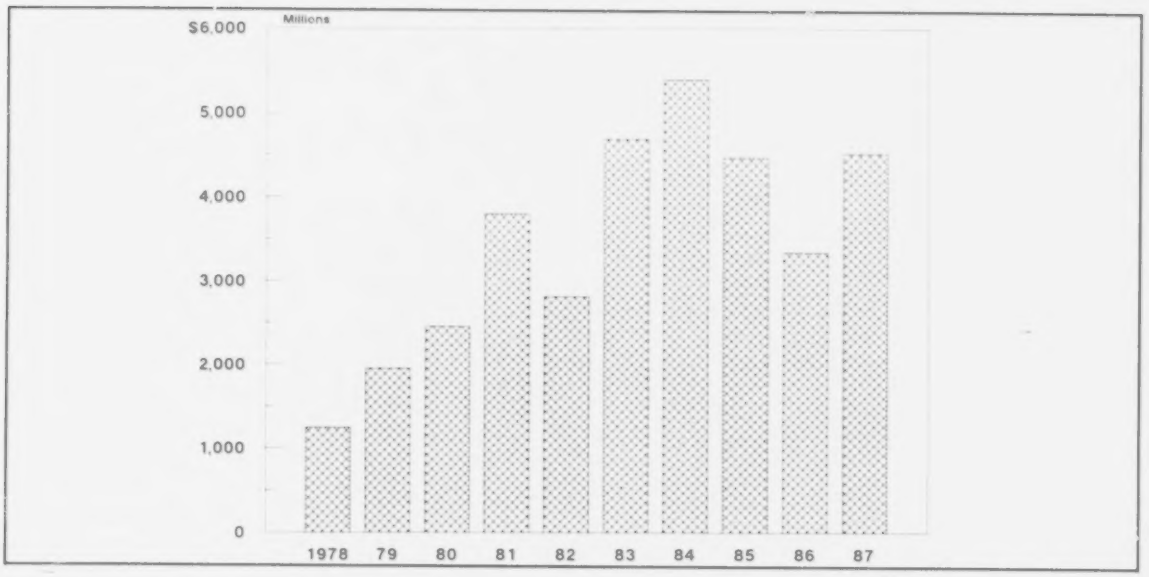
(Millions of Dollars)

Year	New Debt	Sale of Property	New Stock	Total
1978	$1,458	$308	$824	$2,590
1979	1,588	333	1,030	2,951
1980	1,907	418	949	3,274
1981	1,114	553	360	2,027
1982	792	477	63	1,332
1983	876	902	79	1,857
1984	1,173	456	41	1,670
1985	1,064	601	1	1,666
1986	829	885	0	1,714
1987	811	616	0	1,427

Source: Analysis of Class I Railroads.



RAILROAD CASH FLOW



(Millions of Dollars)

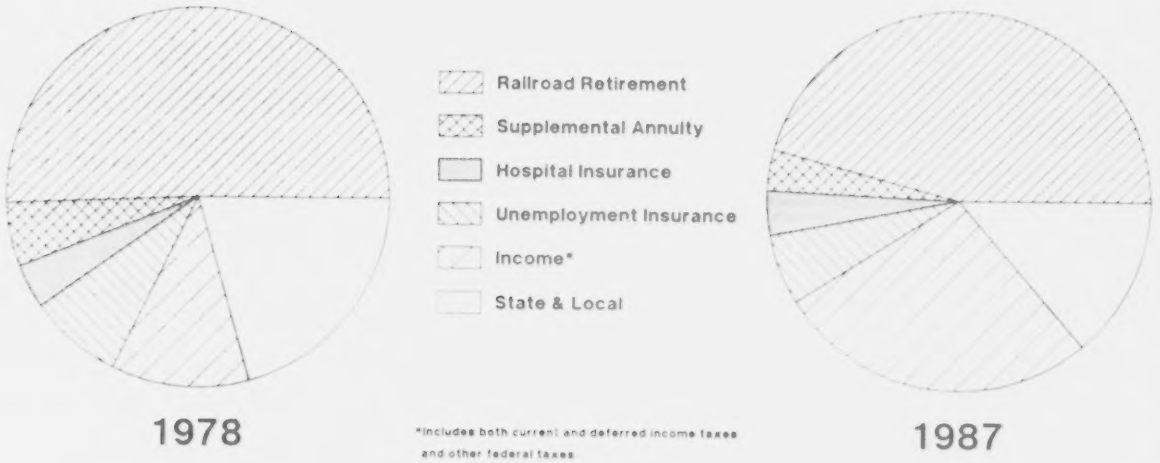
Year	Net Income[1]	Depreciation and Amortization	Deferred Taxes[2]	Net Decr. (Incr.) in Subsidiary's Undistributed Income	Cash Flow[3]
1978	$258	$998	$96	($109)	$1,243
1979	884	1,053	215	(202)	1,950
1980	1,129	1,185	292	(153)	2,453
1981	2,041	1,213	926	(380)	3,800
1982	1,152	1,231	419	8	2,810
1983	1,778	1,866	1,011	36	4,691
1984	2,702	1,882	926	(122)	5,388
1985	1,788	2,193	423	69	4,473
1986	747	2,919	(316)	(6)	3,344
1987	1,965	2,252	414	(69)	4,562

1 Represents net income from continuing operations.
2 Represents net change in deferred tax liabilities.
3 Sum of net income from continuing operations, depreciation and amortization, deferred taxes and net decr. (incr.) in subsidiaries' undistributed income.

Source: Analysis of Class I Railroads.

RAILROAD TAXES

COMPOSITION OF RAILROAD TAXES
1978 VERSUS 1987



*Includes both current and deferred income taxes and other federal taxes.

(Thousands of Dollars)

Year	Payroll Taxes: Railroad Retirement	Payroll Taxes: Supplemental Annuity	Payroll Taxes: Hospital Insurance	Payroll Taxes: Unemployment Insurance	Federal Taxes: Income	Federal Taxes: Other	Federal Taxes: Deferred Taxes	State Local & Foreign Taxes	Total
1978	$1,089,064	$116,980	$81,170	$170,485	$153,884	$1,210	$95,562	$441,826	$2,150,181
1979	1,253,792	124,755	98,219	157,024	152,586	679	213,837	417,522	2,418,414
1980	1,298,236	113,093	101,564	116,886	249,764	1,223	281,465	423,111	2,585,342
1981	1,471,158	126,066	124,444	167,124	(4,505)	2,323	936,578	456,990	3,280,178
1982	1,549,642	128,852	128,054	146,150	(49,567)	1,394	399,188	324,406	2,628,119
1983	1,425,078	123,098	122,945	123,457	(51,805)	909	894,813	375,113	3,013,608
1984	1,600,941	136,595	132,076	184,528	200,693	290	930,284	419,446	3,604,853
1985	1,687,468	123,594	134,510	176,286	259,507	76	365,060	422,102	3,168,603
1986	1,725,471	124,274	135,846	197,017	442,426	753	(326,542)	428,380	2,727,625
1987	1,625,436	123,963	134,684	212,591	594,991	2,255	369,871	488,933	3,552,724

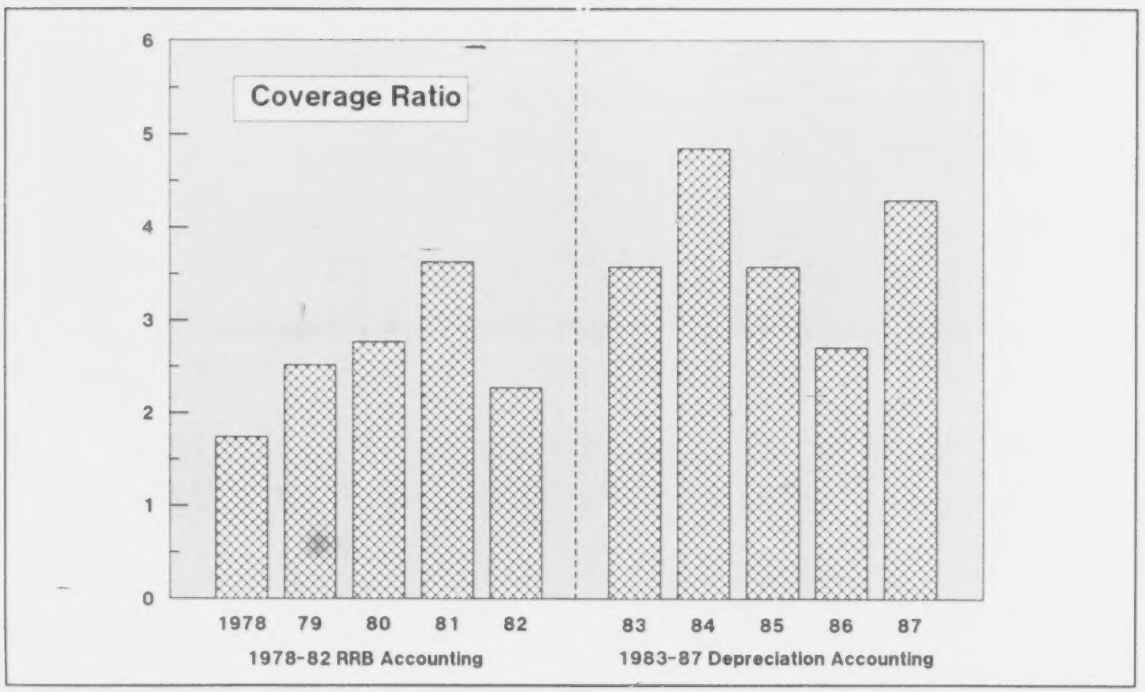
Source: Analysis of Class I Railroads.

RAILROAD COVERAGE RATIO

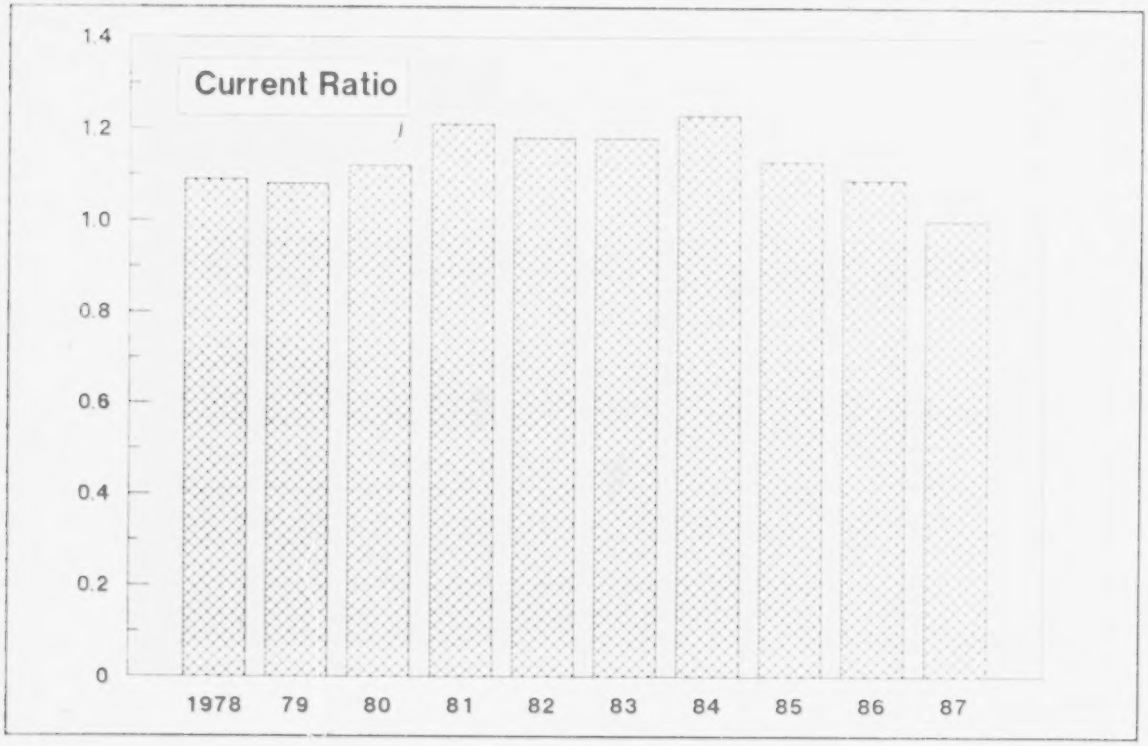
(Millions of Dollars)

Year	Income Before Fixed Charges And Federal Income Taxes	Fixed and Contingent Interest Charges	Coverage Ratio of Interest Charges (times)
1978	$1,405	$808	1.74
1979	2,183	867	2.52
1980	2,897	1,041	2.78
1981	4,147	1,141	3.63
1982	2,465	1,086	2.27
1983	3,608	1,005	3.59
1984	4,893	1,007	4.86
1985	3,393	945	3.59
1986	2,480	913	2.72
1987	3,932	915	4.30

Source: Analysis of Class I Railroads.



RAILROAD WORKING CAPITAL AND CURRENT RATIO



(Millions of Dollars)

Year	Current Assets	Current Liabilities	Net Working Capital	Current Ratio
1978	$6,816	$6,255	$561	1.09
1979	7,781	7,214	567	1.08
1980	8,678	7,756	921	1.12
1981	9,665	7,973	1,692	1.21
1982	8,813	7,442	1,372	1.18
1983	8,804	7,479	1,325	1.18
1984	9,821	7,977	1,844	1.23
1985	9,350	8,267	1,084	1.13
1986	9,132	8,390	743	1.10
1987	8,216	8,182	34	1.00

Source: Analysis of Class I Railroads.

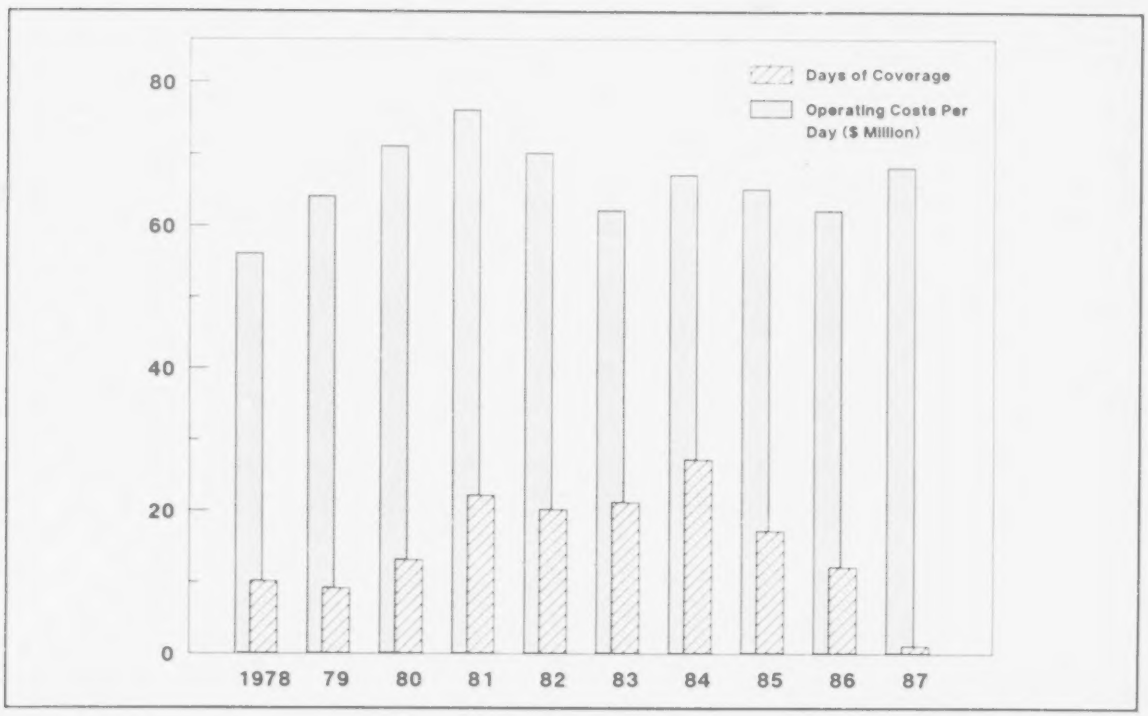
COVERAGE OF RAILROAD DAILY OPERATING COSTS

(Millions of Dollars)

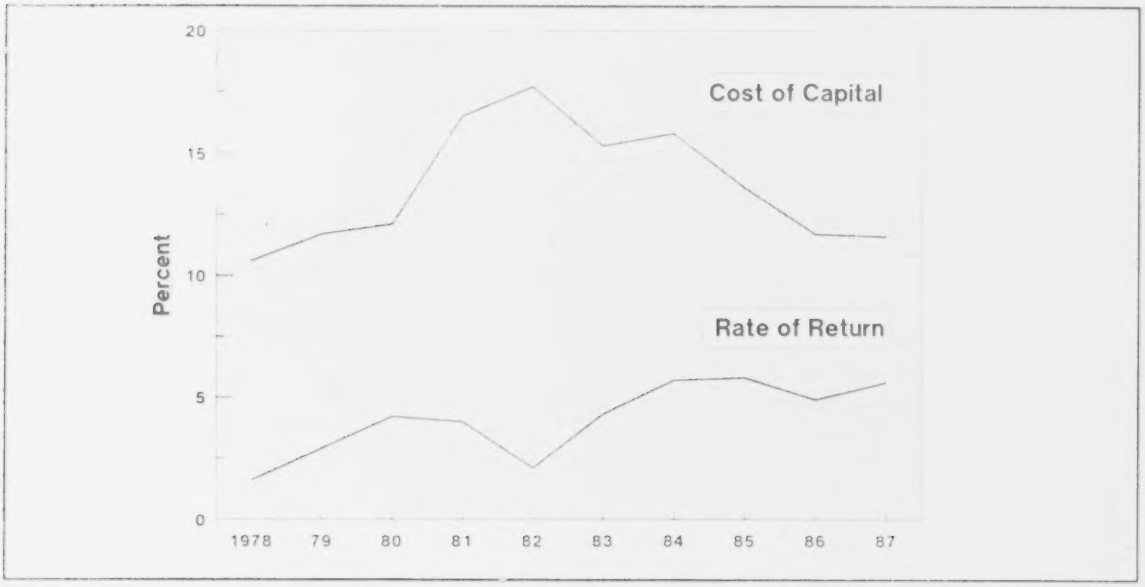
Year	Net Working Capital	Operating Costs Per Day	Days of Coverage
1978	$561	$56	10
1979	567	64	9
1980	921	71	13
1981	1,692	76	22
1982	1,372	70	20
1983	1,325	62	21
1984	1,844	67	27
1985	1,084	65	17
1986	743	62	12
1987	34	68	1

Note: Operating costs include operating expenses (less depreciation and retirement charges), current taxes and rents.

Source: Analysis of Class I Railroads.



RAILROAD RETURN ON NET INVESTMENT AND COST OF CAPITAL



(Millions of Dollars)

Year	Net Railway Operating Income	Average Net Investment	Rate of Return on Net Investment	ICC Cost of Capital
1978	$446	$28,199	1.6 %	10.6 %
1979	861	29,344	2.9	11.7
1980	1,339	31,694	4.2	12.1
1981	1,361	34,201	4.0	16.5
1982	742	35,129	2.1	17.7
1983	1,838	42,851	4.3	15.3
1984	2,537	44,459	5.7	15.8
1985	2,191	37,714	5.8	13.6
1986	1,843	37,366	4.9	11.7
1987	2,089	37,064	5.6	11.6

Notes: Data for 1978-1982 are calculated on the basis of Retirement, Replacement, Betterment accounting system; succeeding years are on a Depreciation Accounting basis. NROI and rate of return for 1985 through 1987 are based on the ICC's decisions in Revenue Adequacy proceedings. The net railway operating income (NROI) and investment base figures for 1985 through 1987 have been adjusted to eliminate the effect of special charges on NROI and reductions of the investment base for accumulated deferred tax liabilities. Predecessor values were used where appropriate.

Source: Analysis of Class I Railroads and ICC Decisions.

RAILROAD REVENUE MARGIN

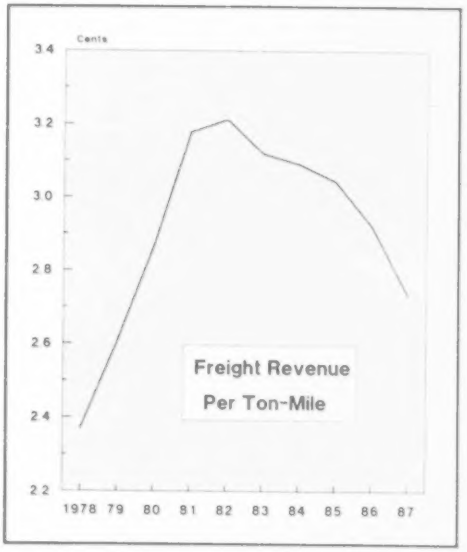
Year	Freight Revenue per Ton-Mile (cents)	Freight Operating Expenses per Ton-Mile (cents)	Freight Revenue Margin per Ton-Mile (cents)
1978	2.371	2.371	.000
1979	2.605	2.565	.040
1980	2.867	2.756	.111
1981	3.178	3.019	.159
1982	3.212	3.179	.033
1983	3.119	2.889	.230
1984	3.090	2.781	.309
1985	3.043	2.857	.186
1986	2.921	2.850	.071
1987	2.733	2.516	.217

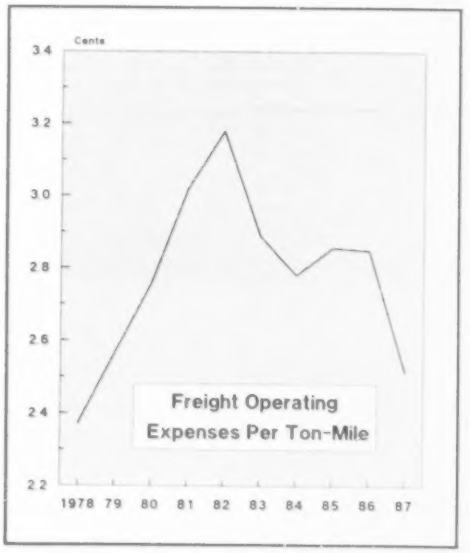
Note: Operating expenses prior to 1983 are not comparable to 1983 - 1987 because of the change in accounting for track structure expenditures from Retirement, Replacement, Betterment system to Depreciation system.

Expense figures for 1985 through 1987 include the effects of special charges. Below is a restatement of the 1985 through 1987 figures excluding special charges:

	Freight Operating Expenses per Ton-Mile (cents)	Freight Revenue Margin per Ton-Mile (cents)
1985	2.768	.275
1986	2.645	.276
1987	2.451	.282

Source: Analysis of Class I Railroads.





RAILROAD SHAREHOLDERS' EQUITY

(Millions of Dollars)

Year	Total	Capital Stock	Additional Paid In Capital	Retained Earnings
1978	$15,735	$4,122	$4,159	$7,569
1979	17,353	4,225	5,290	7,952
1980	19,400	4,478	6,806	8,199
1981	21,253	4,569	7,092	9,645
1982	21,349	4,558	7,301	9,504
1983	26,461	4,322	6,487	15,666
1984	27,986	4,176	6,503	17,318
1985	27,605	3,874	6,496	17,244
1986	25,442	3,489	6,259	15,699
1987	25,616	3,032	6,095	16,497

Note: The majority of the increase in retained earnings in 1983 was attributable to the change to Depreciation Accounting for track structure. The total column has been reduced for treasury stock.

Source: Analysis of Class I Railroads.

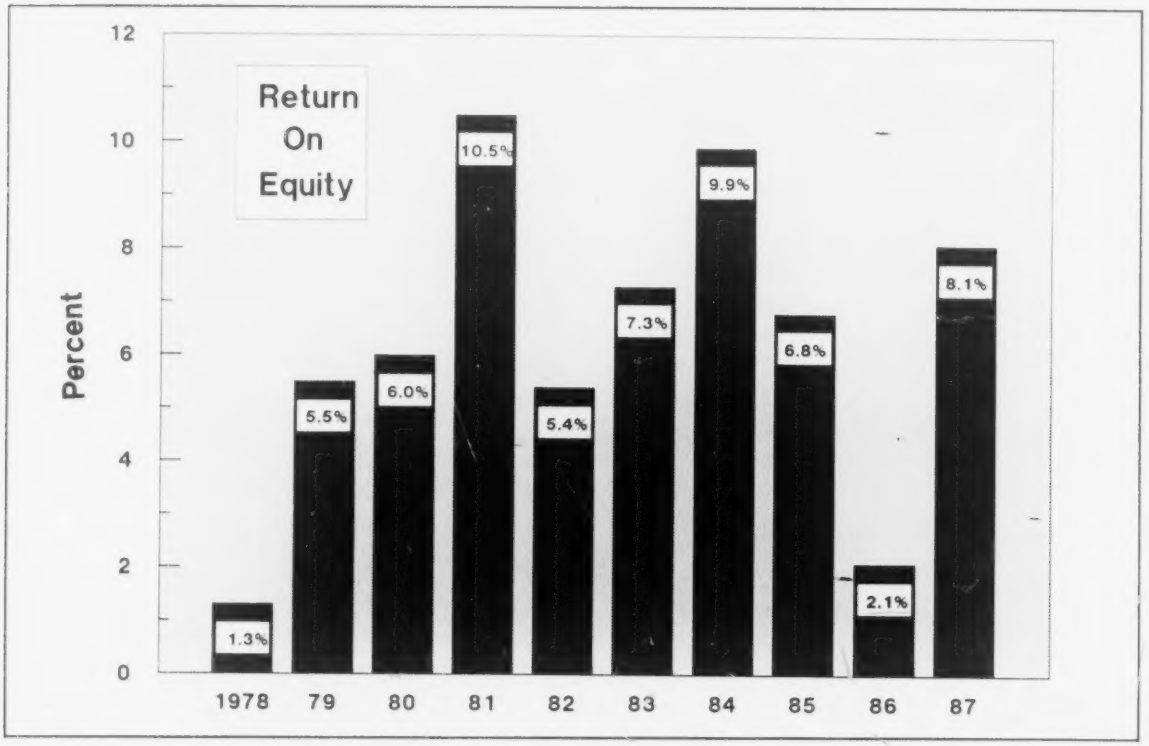
RAILROAD DIVIDEND APPROPRIATIONS

(Thousands of Dollars)

	Dividends (Cash and Non-Cash)		
Year	Common Stock	Preferred Stock	Total
1978	$480,307	$22,435	$502,742
1979	509,229	28,406	537,635
1980	469,918	35,964	505,882
1981	627,800	34,640	662,440
1982	1,008,899	29,515	1,038,414
1983	1,059,942	24,566	1,084,508
1984	1,041,182	24,483	1,065,665
1985	1,421,996	21,642	1,443,638
1986	1,363,782	12,154	1,375,936
1987	1,241,766	10,361	1,252,127

Source: Analysis of Class I Railroads.

RAILROAD RETURN ON SHAREHOLDERS' EQUITY



(Millions of Dollars)

Year	Net Income	Average Shareholders' Equity	Return on Equity
1978	$202	$15,296	1.3 %
1979	913	16,719	5.5
1980	1,129	18,777	6.0
1981	2,141	20,320	10.5
1982	1,152	21,200	5.4
1983	1,797	24,775	7.3
1984	2,701	27,172	9.9
1985	1,882	27,528	6.8
1986	544	25,969	2.1
1987	2,055	25,529	8.1

Note: Net income has not been adjusted to exclude special charges.

Source: Analysis of Class I Railroads.

EMPLOYMENT

NOTES

- The employee count in this chapter (average annual data) does not match the Class I employee count shown on page seven because that count reflects the period of time comparable to the non-Class I data.

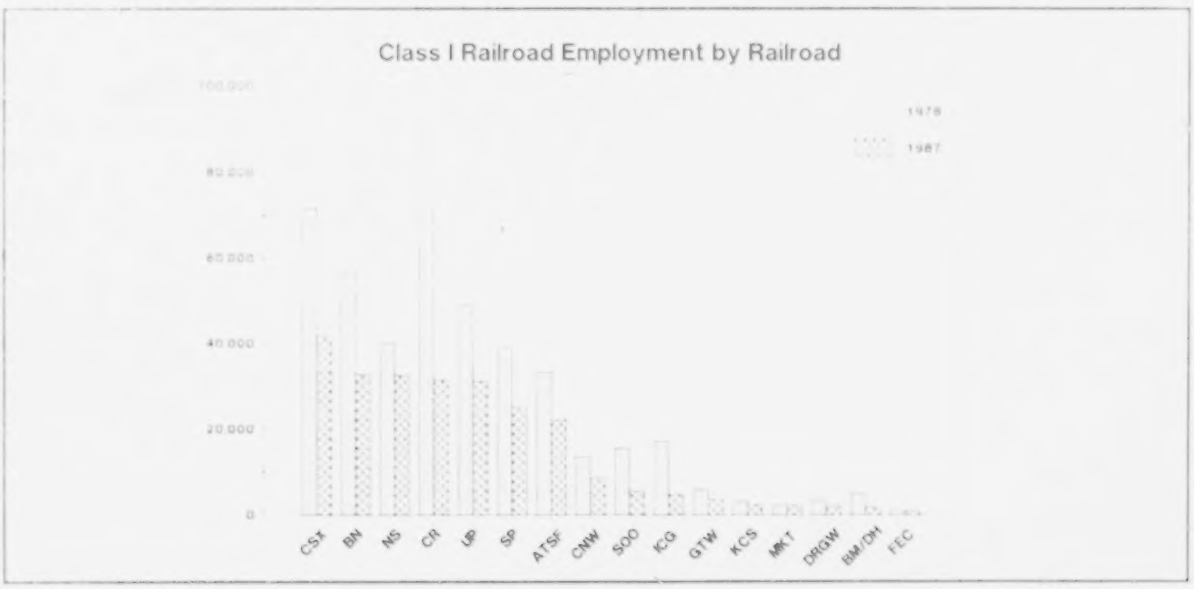
- Labor as a percent of total operating expenses, as shown on page 69 differs from that shown on page 46 because the operating expenses total on page 46 includes income taxes, while that used on page 69 does not.

AVERAGE NUMBER OF RAILROAD EMPLOYEES

Railroad Systems	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
CSX Corporation	71,742	73,612	71,681	70,333	64,350	57,180	55,806	52,011	47,803	41,681
Burlington Northern, Inc.	56,757	59,631	58,964	55,347	46,015	40,911	39,793	38,294	35,110	32,809
Norfolk Southern Corporation	40,251	44,931	43,339	41,704	39,023	35,211	37,273	36,415	34,857	32,563
Conrail	91,318	87,511	79,574	70,264	57,704	39,820	39,044	36,331	33,768	31,428
Union Pacific Corporation	49,074	51,649	50,926	49,713	42,856	40,527	40,450	37,911	33,271	31,157
Southern Pacific Transp. Co.	38,843	40,126	39,551	38,561	33,720	30,733	31,379	29,557	29,425	25,109
Atchison, Topeka & Santa Fe	33,289	33,975	34,423	33,605	28,401	26,037	27,583	26,020	23,965	22,182
Chicago & North Western	13,523	13,268	14,095	14,345	11,757	10,929	11,123	10,255	9,450	8,465
Soo Line	15,521	15,206	13,011	11,793	9,537	8,372	8,529	7,549	6,549	5,499
Illinois Central Gulf	17,094	17,391	16,682	15,670	13,675	10,414	9,871	9,215	6,778	4,728
Grand Trunk Western	5,942	5,861	5,652	5,302	4,879	4,389	4,257	4,233	4,059	5,569
Kansas City Southern	3,101	3,234	3,209	3,166	2,937	2,622	2,683	2,599	2,458	2,339
Missouri-Kansas-Texas	2,440	2,553	2,740	2,945	2,499	2,295	2,598	2,505	2,125	2,209
Denver & Rio Grande Western	3,525	3,780	3,600	3,652	3,282	3,035	3,022	2,548	2,233	2,001
Guilford Transp.(B&M, D&H only)	5,014	5,229	5,154	4,784	4,489	4,060	3,949	3,894	2,934	1,741
Florida East Coast	1,054	1,071	1,136	1,195	1,105	1,024	1,050	1,047	1,032	1,046
TOTALS	448,488	459,028	443,737	422,379	366,229	317,559	318,410	300,384	275,817	248,526

Note: Consist of roads for all years includes only those Class I railroads and predecessor railroads which are included in 1987 Class I systems (i.e., a constant 1987 consist). Therefore, totals will not agree with total employees shown elsewhere in this publication, except for 1987.

Source: Analysis of Class I Railroads.



RAILROAD EMPLOYMENT BY STATES MARCH 1987

Class I Railroads, including AMTRAK

Alabama	5,124	Montana	3,641
Alaska	--	Nebraska	11,508
Arizona	2,742	Nevada	885
Arkansas	4,691	New Hampshire	40
California	19,720	New Jersey	2,525
Colorado	3,614	New Mexico	2,161
Connecticut	962	New York	8,043
Delaware	1,231	North Carolina	4,386
Dist. of Col.	2,561	North Dakota	2,043
Florida	8,281	Ohio	13,460
Georgia	10,322	Oklahoma	2,222
Hawaii	2	Oregon	3,980
Idaho	1,955	Pennsylvania	17,663
Illinois	22,241	Rhode Island	304
Indiana	7,986	South Carolina	3,089
Iowa	4,911	South Dakota	385
Kansas	9,630	Tennessee	6,860
Kentucky	7,948	Texas	19,691
Louisiana	4,355	Utah	2,668
Maine	6	Vermont	7
Maryland	5,171	Virginia	10,078
Massachusetts	3,352	Washington	5,526
Michigan	8,337	West Virginia	5,187
Minnesota	7,425	Wisconsin	4,029
Mississippi	1,839	Wyoming	2,837
Missouri	9,993	**TOTAL U.S.**	**287,617**

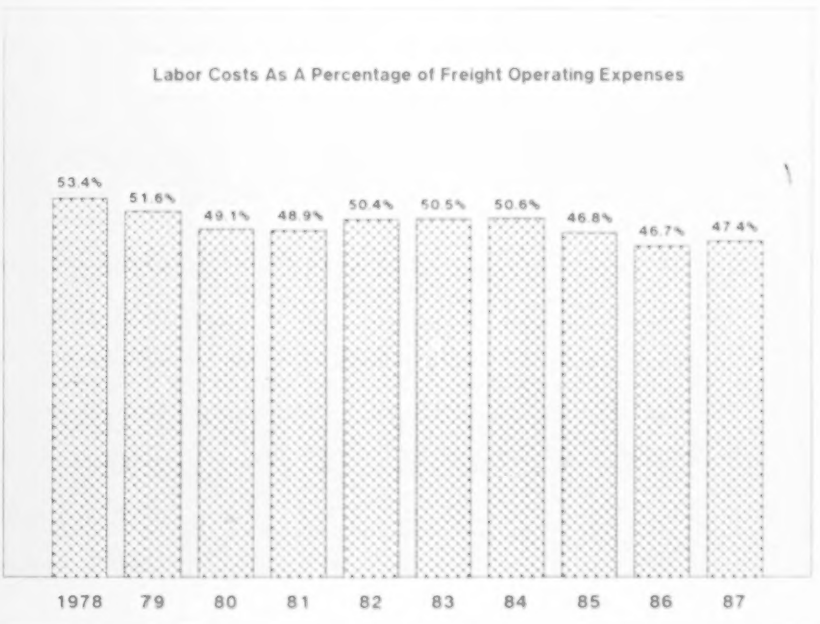
Source: Survey by Association of American Railroads.

RAILROAD EMPLOYEES AND COMPENSATION

Year	Number of Employees	Total Wages ($ mill)	Average Annual Earnings Per Empl.	Payroll Taxes ($ mill)	Health & Welfare Benefits & Pensions ($ mill)	Total Comp. ($ mill)	Average Annual Comp. Per Empl.
1978	471,519	$9,571	$20,298	$1,527	$744	$11,842	$25,114
1979	474,501	10,740	22,634	1,736	796	13,272	27,971
1980	458,332	11,318	24,695	1,748	909	13,975	30,492
1981	436,397	11,651	26,698	1,984	1,091	14,725	33,742
1982	378,904	11,010	29,058	2,064	1,118	14,192	37,456
1983	322,030	10,345	32,125	1,978	1,094	13,417	41,664
1984	323,030	11,004	34,064	2,284	1,229	14,517	44,940
1985	301,879	10,563	34,991	2,391	878	13,832	45,821
1986	275,817	9,900	35,894	2,491	877	13,268	48,106
1987	248,526	9,373	37,716	2,331	887	12,591	50,665

Note: Total compensation included in this table covers both operating and capitalized labor expenses. Although total wages are available on that basis, only that portion of fringe benefits (payroll taxes, health and welfare benefits and pensions) charged to operating expenses is available. Therefore, fringe benefits charged to operating expenses have been multiplied by the ratio of total wages to wages charged to operating expenses to estimate operating and capitalized expenses for those components of compensation.

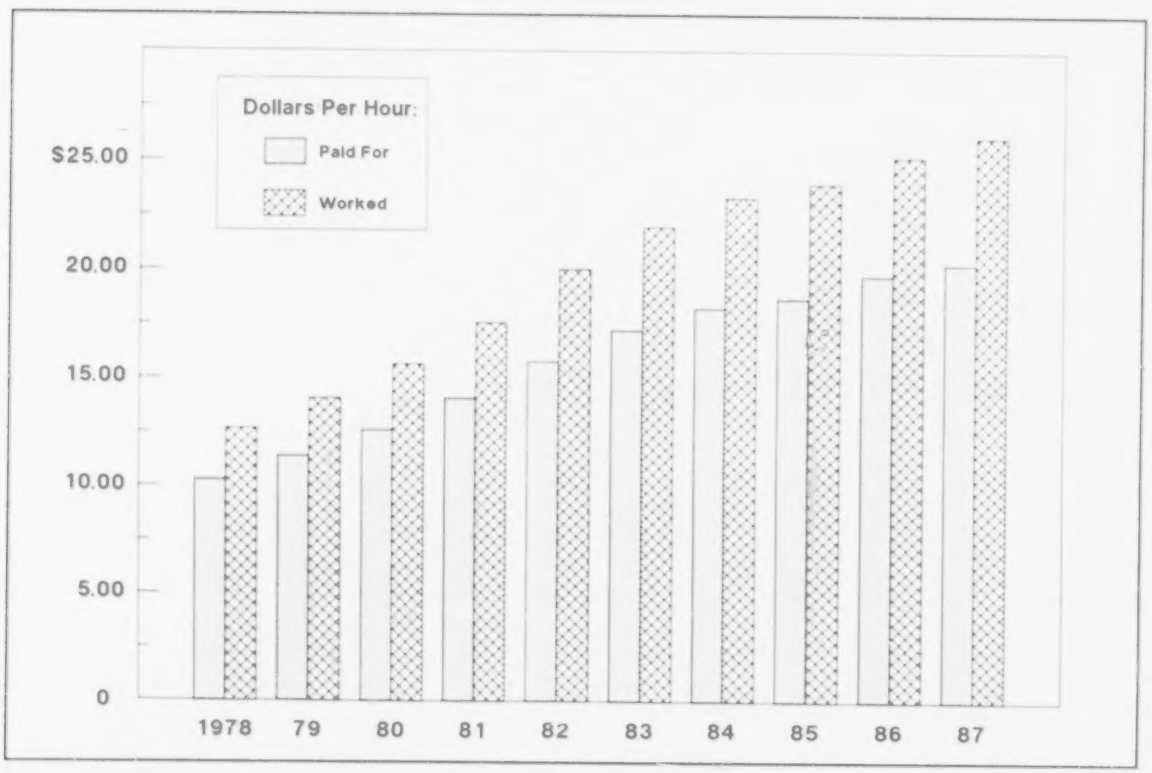
Source: Analysis of Class I Railroads.



COMPENSATION PER HOUR PAID AND WORKED

Year	Labor Compensation (millions)	Employee Hours: Paid (millions)	Employee Hours: Worked (millions)	Labor Compensation Per Hour: Paid	Labor Compensation Per Hour: Worked
1978	$11,842	1,150	934	$10.30	$12.68
1979	13,272	1,164	943	11.40	14.07
1980	13,975	1,108	893	12.61	15.65
1981	14,725	1,046	838	14.08	17.57
1982	14,192	899	708	15.79	20.05
1983	13,417	778	610	17.25	22.00
1984	14,517	795	622	18.26	23.34
1985	13,832	739	577	18.72	23.97
1986	13,268	671	526	19.77	25.22
1987	12,591	620	482	20.31	26.12

Sources: Analysis of Class I Railroads. The total labor compensation figures are those derived on page 69 (using estimated fringe benefits).



RAILROAD RETIREMENT TAX RATES

		Tier II		Earnings Base	
Effective Date	Tier I	Employee	Employer	Tier I	Tier II
Jan. 1, 1978	6.05 %	--	9.50 %	$1,475	$1,475
Jan. 1, 1979	6.13	--	9.50	1,908	1,575
Jan. 1, 1980	6.13	--	9.50	2,158	1,700
Jan. 1, 1981	6.65	--	9.50	2,475	1,850
Oct. 1, 1981	6.65	2.00 %	11.75	2,475	1,850
Jan. 1, 1982	6.70	2.00	11.75	2,700	2,025
Jan. 1, 1983	6.70	2.00	11.75	2,975	2,225
Jan. 1, 1984	7.00	2.75	12.75	3,150	2,350
Jan. 1, 1985	7.05	3.50	13.75	39,600	29,700
Jan. 1, 1986	7.15	4.25	14.75	42,000	31,500
Jan. 1, 1987	7.15	4.25	14.75	43,800	32,700
Jan. 1, 1988	7.51	4.90	16.10	45,000	33,600

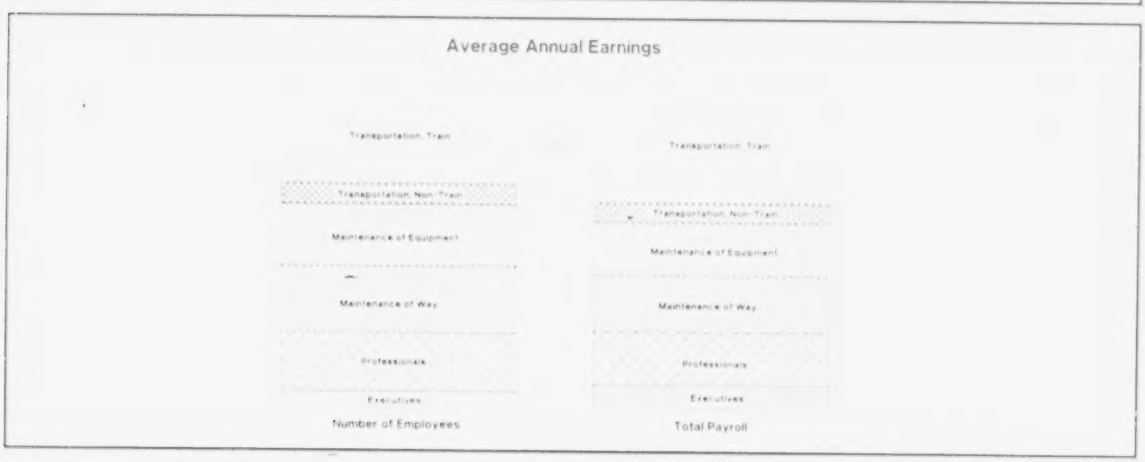
Note: Tier I rates are equally applicable to employers and employees. Employees received a 0.3 percent credit in 1984. Effective in 1985, earnings bases changed from monthly to annual.

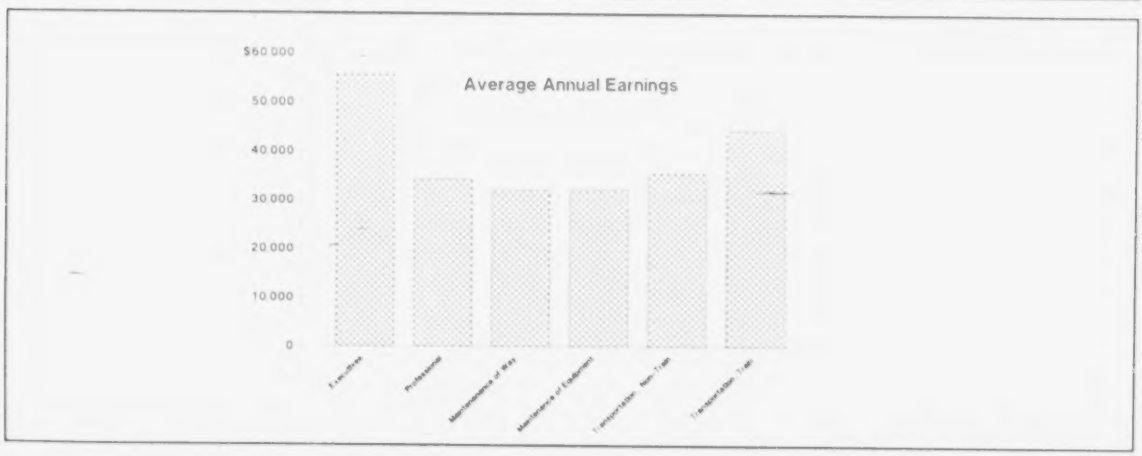
Source: Railroad Retirement Board.

EMPLOYMENT AND ANNUAL WAGES BY CLASS

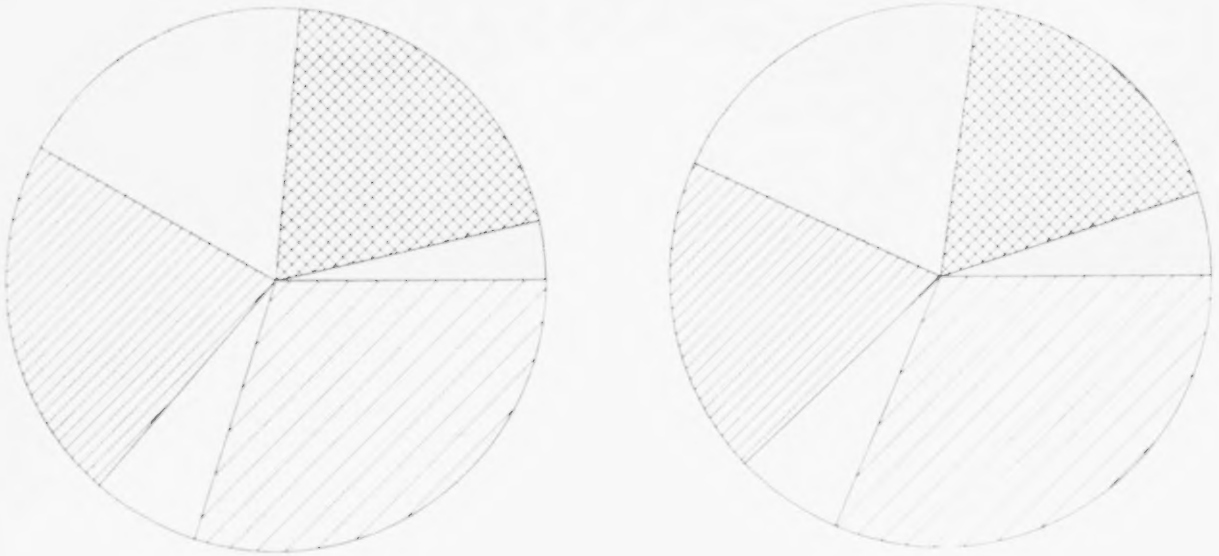
1987

Employee Group	Average Number of Employees	Total Payroll (thousands)	Average Annual Earnings
Executives, Officials and Staff Assistants	12,258	$681,062	$55,561
Professional and Administrative	44,286	1,518,273	34,283
Maintenance of Way and Structures	50,597	1,626,130	32,139
Maintenance of Equipment and Stores	47,070	1,515,074	32,188
Transportation, Other than Train, Engine	16,194	574,107	35,452
Transportation, Train and Engine	78,121	3,458,824	44,275
TOTAL	**248,526**	**$9,373,470**	**$37,716**





RAILROAD EMPLOYMENT BY CLASSES



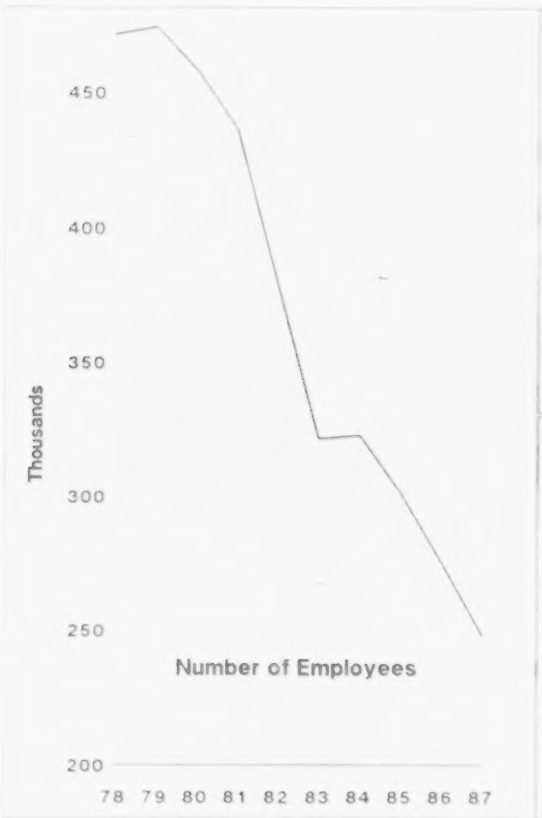
Year	Total	Executives Officials & Staff Assts.	Professional and Administrative	Maint. of Way and Structures	Maint. of Eqpt. & Stores	Transp. Other Than Train & Engine	Transp. Train & Engine
1978	471,519	16,491	94,473	86,221	102,419	30,691	141,224
1979	474,501	16,933	94,199	87,919	104,791	29,915	140,744
1980	458,332	17,305	92,663	84,259	99,487	29,098	135,520
1981	436,397	17,550	88,738	82,725	92,668	27,432	127,284
1982	378,904	16,866	80,044	72,700	75,001	24,971	109,322
1983	322,030	14,511	68,486	64,172	58,461	20,650	95,750
1984	323,030	14,335	60,477	66,359	61,233	22,054	98,572
1985	301,879	13,619	56,901	62,058	56,104	19,796	93,401
1986	275,817	13,230	50,769	57,097	51,441	18,082	85,198
1987	248,526	12,258	44,286	50,597	47,070	16,194	78,121

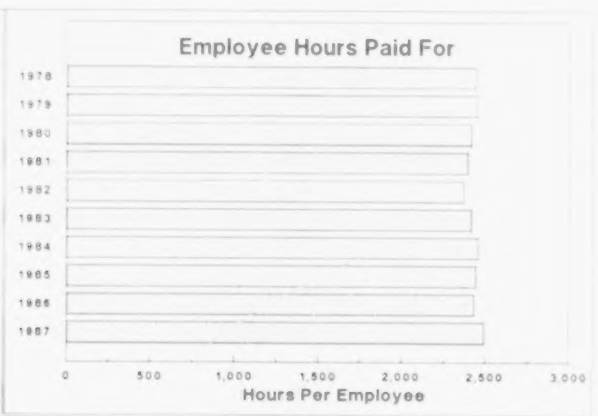
Source: Analysis of Class I Railroads.

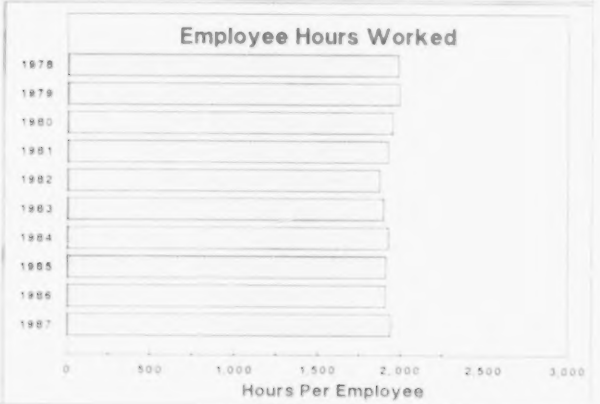
RAILROAD EMPLOYEE HOURS PAID FOR AND HOURS WORKED

Year	Number of Employees	Employee Hours Paid For (Thousands)	Employee Hours Paid For Per Employee	Employee Hours Worked (Thousands)	Employee Hours Worked Per Employee
1978	471,519	1,150,336	2,440	933,806	1,980
1979	474,501	1,163,725	2,453	942,815	1,987
1980	458,332	1,108,185	2,418	892,572	1,947
1981	436,397	1,045,944	2,397	837,553	1,919
1982	378,904	898,991	2,373	708,221	1,869
1983	322,030	778,431	2,417	610,039	1,894
1984	323,030	794,957	2,461	621,857	1,925
1985	301,879	738,701	2,447	576,626	1,909
1986	275,817	671,331	2,434	526,309	1,908
1987	248,526	620,275	2,496	481,627	1,938

Source: Analysis of Class I Railroads.







PLANT AND EQUIPMENT

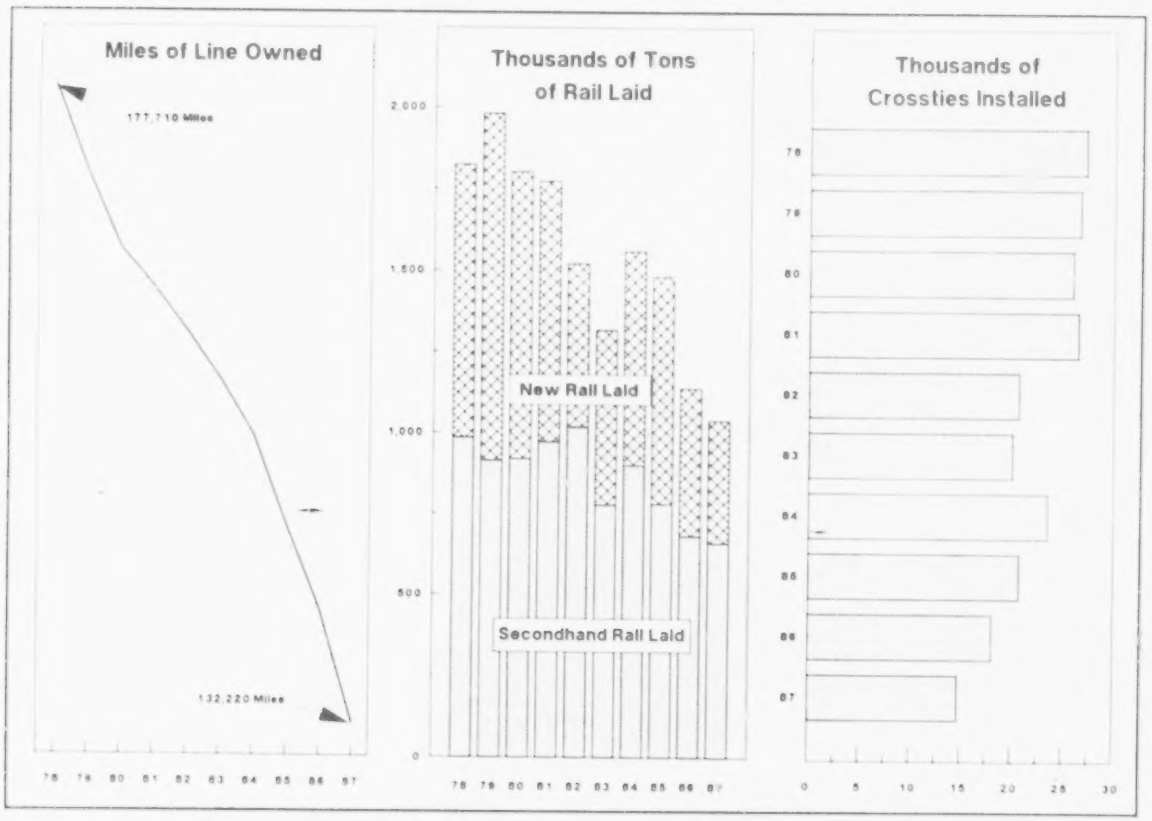
NOTES

- Neither the miles owned, nor miles operated in this chapter matches the miles shown on page seven because that count reflects a different period of time.

RAILROAD MILEAGE OWNED & RAIL AND CROSSTIES INSTALLED

Year	Miles of Line Owned	Tons of Rail Laid		Crossties Installed (thousands)
		New	Secondhand	
1978	177,710	838,001	985,713	27,219
1979	169,927	1,064,829	915,215	26,667
1980	164,822	881,783	919,662	25,984
1981	162,160	800,340	972,199	26,529
1982	159,123	502,718	1,018,212	20,726
1983	155,879	538,597	778,240	20,086
1984	151,998	659,285	900,000	23,581
1985	145,764	699,774	781,304	20,736
1986	140,061	456,066	681,640	18,104
1987	132,220	377,282	661,248	14,768

Sources: R-1 Annual Reports to the ICC, Schedules 700, 721, 722, 724 and Special Schedule 515.



RAILROAD MILEAGE OPERATED BY STATE 1987

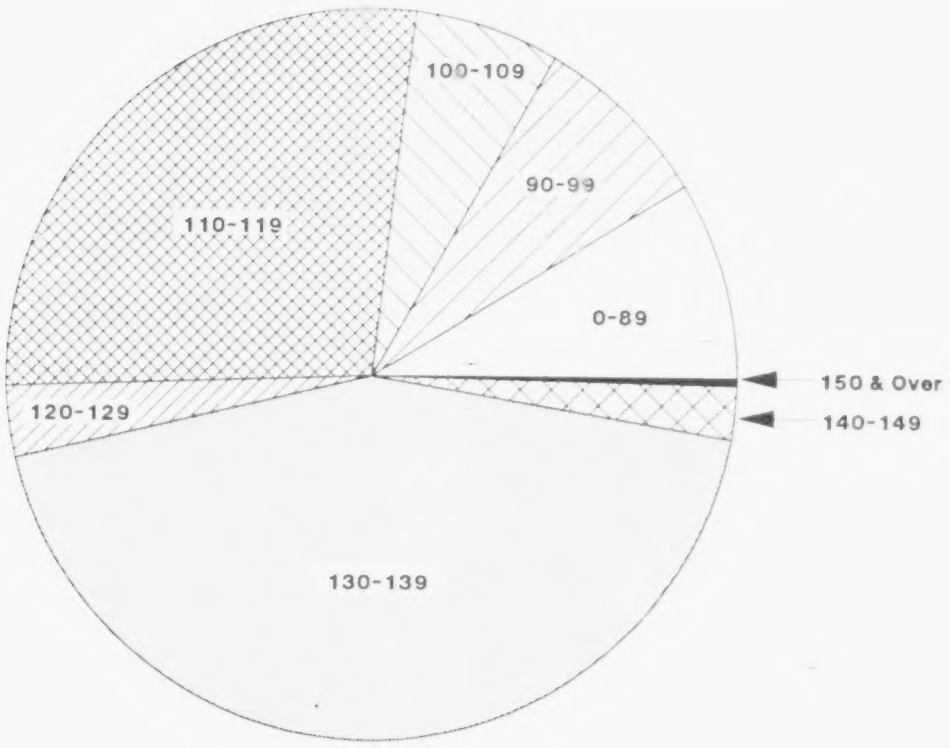
Alabama	3,600	Montana	2,512
Alaska	--	Nebraska	4,300
Arizona	1,692	Nevada	1,440
Arkansas	2,539	New Hampshire	354
California	6,267	New Jersey	1,134
Colorado	3,356	New Mexico	2,062
Connecticut	429	New York	3,408
Delaware	230	North Carolina	3,090
Dist. of Col	50	North Dakota	3,792
Florida	2,976	Ohio	5,767
Georgia	4,954	Oklahoma	3,704
Hawaii	--	Oregon	2,848
Idaho	2,152	Pennsylvania	4,900
Illinois	7,584	Rhode Island	--
Indiana	4,676	South Carolina	2,490
Iowa	3,444	South Dakota	1,203
Kansas	7,273	Tennessee	2,234
Kentucky	2,521	Texas	12,683
Louisiana	2,691	Utah	1,450
Maine	46	Vermont	102
Maryland	936	Virginia	3,430
Massachusetts	939	Washington	3,467
Michigan	2,661	West Virginia	3,149
Minnesota	4,925	Wisconsin	2,293
Mississippi	1,496	Wyoming	1,996
Missouri	5,339	**TOTAL U.S.**	**146,584**

Source: Annual R-1 Reports to the Interstate Commerce Commission.

WEIGHT OF RAIL: 1987

Pounds per Yard	Miles	Percent of Total Miles	Cumulative Percent
150 & Over	525	.35 %	.35 %
140-149	3,467	2.34	2.69
130-139	64,674	43.61	46.30
120-129	4,686	3.16	49.46
110-119	40,542	27.33	76.79
100-109	9,554	6.44	83.23
90-99	11,872	8.00	91.23
0-89	13,001	8.77	100.00
TOTAL	148,321	100.00 %	

Source: R-1 Annual Reports to the ICC, Schedule 725.



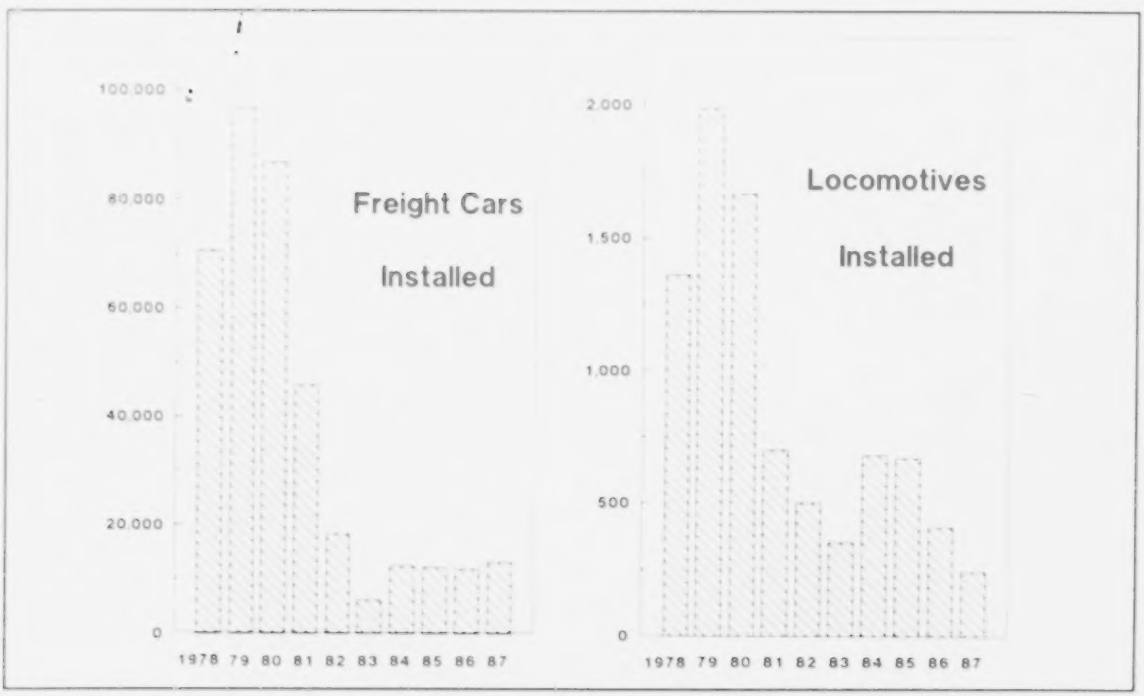
Percent of Total Miles

LOCOMOTIVES AND FREIGHT CARS INSTALLED

Year	Locomotives Installed	Freight Cars Installed
1978	1,369	70,458
1979	1,987	96,532
1980	1,669	86,628
1981	699	45,925
1982	504	18,736
1983	353	5,872
1984	688	12,396
1985	666	12,080
1986	408	11,603
1987	239	13,386

Notes: Freight car installations include additions by railroads, car companies and shippers, excludes cabooses.

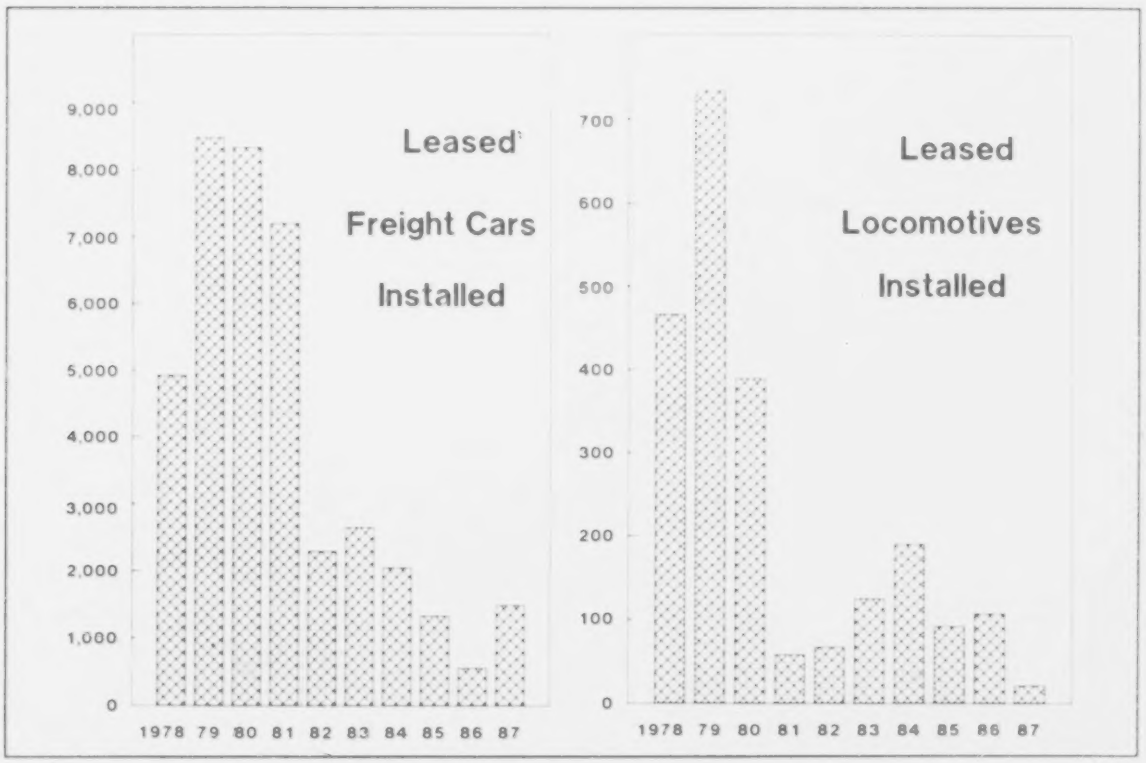
Sources: Locomotives installed - Analysis of Class I Railroads; Freight Cars Installed - Equipment Data, AAR Transportation Division and American Railway Car Institute.



INSTALLATION OF LEASED LOCOMOTIVES AND FREIGHT CARS

Year	Number Installed: Locomotives	Number Installed: Freight Cars
1978	466	4,920
1979	733	8,479
1980	389	8,336
1981	58	7,198
1982	67	2,289
1983	125	2,649
1984	190	2,050
1985	92	1,329
1986	107	557
1987	21	1,487

Source: R-1 Annual Reports to the ICC, Schedule 710.



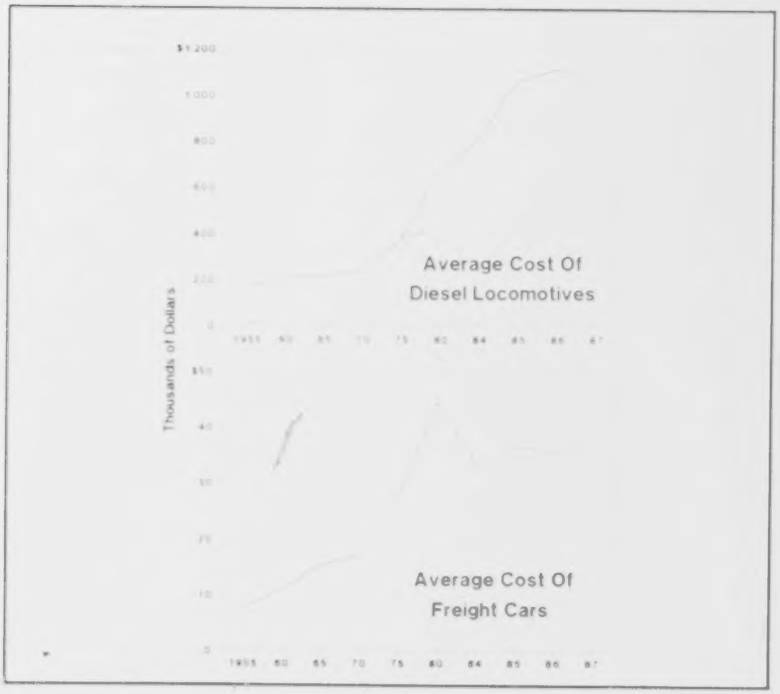
COST OF RAILROAD ROLLING STOCK

Average Cost of New Equipment

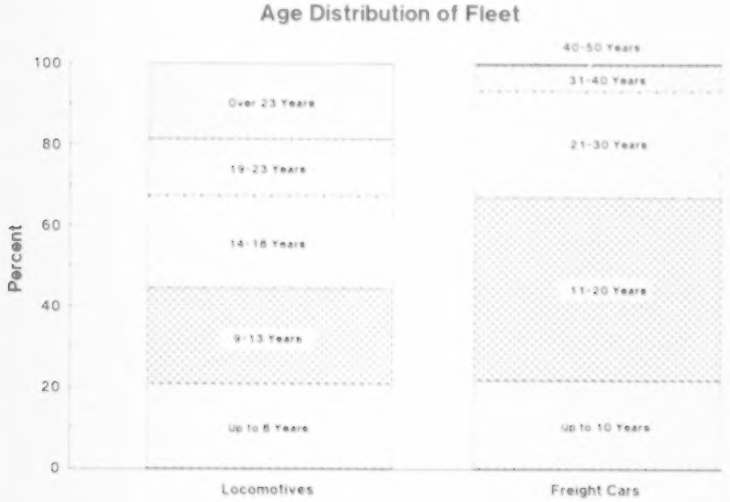
Year	Diesel Locomotives	Freight Train Cars
1955	$167,758	$7,839
1960	211,303	11,115
1965	219,984	15,448
1970	240,960	17,163
1975	372,000	27,777
1980	679,000	44,547
1984	812,000	33,278
1985	1,062,000	36,645
1986	1,113,866	35,626
1987	1,079,733	37,096

Note: Average Cost is based on weighted average of new units written into account in each respective year.

Source: Special data collected from Class I railroads.



AGE OF LOCOMOTIVES AND FREIGHT CARS



Age Distribution of Diesel Locomotive Fleet - January 1, 1988

Date Built	Units in Age Bracket	Percentage of Total
Jan. 1, 1980-Dec. 31, 1987	4,101	20.9 %
Jan. 1, 1975-Dec. 31, 1979	4,651	23.6
Jan. 1, 1970-Dec. 31, 1974	4,496	22.9
Jan. 1, 1965-Dec. 31, 1969	2,747	14.0
Before Jan. 1, 1965	3,654	18.6
Total	19,649	100.0

Age Distribution of Railroad-Owned Freight Cars - January 1, 1988

Car Age (years)	Cars In Age Bracket (thousands)	Percentage of Total
0-10	210	21.8 %
11-20	436	45.3
21-30	252	26.2
31-40	61	6.3
40-50	4	0.4
Total	963	100.0

Note: The data necessary to determine the age distribution of the locomotive and freight car fleets are not available in the same data sources used for ownership figures shown elsewhere in this publication. Therefore, the figures shown above for the total fleet size do not precisely agree with those on previous pages.

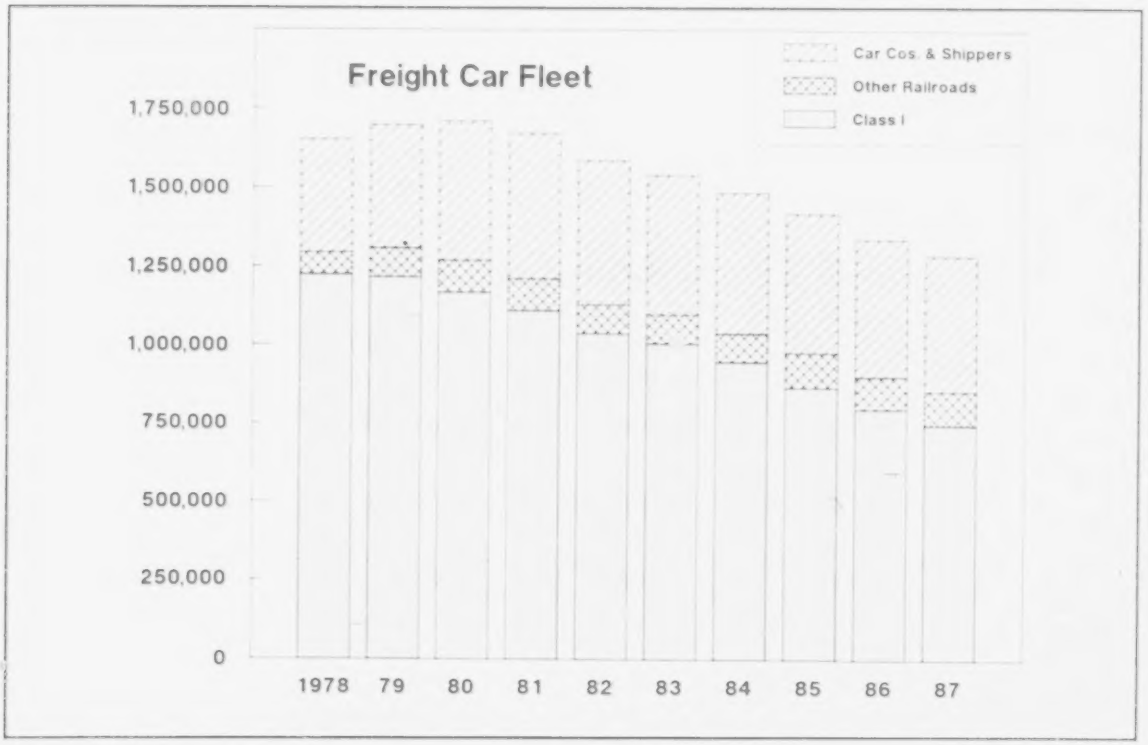
Sources: Locomotive data - R-1 Annual Reports to the ICC, Schedule 710. Freight car data - UMLER file

THE FREIGHT CAR FLEET

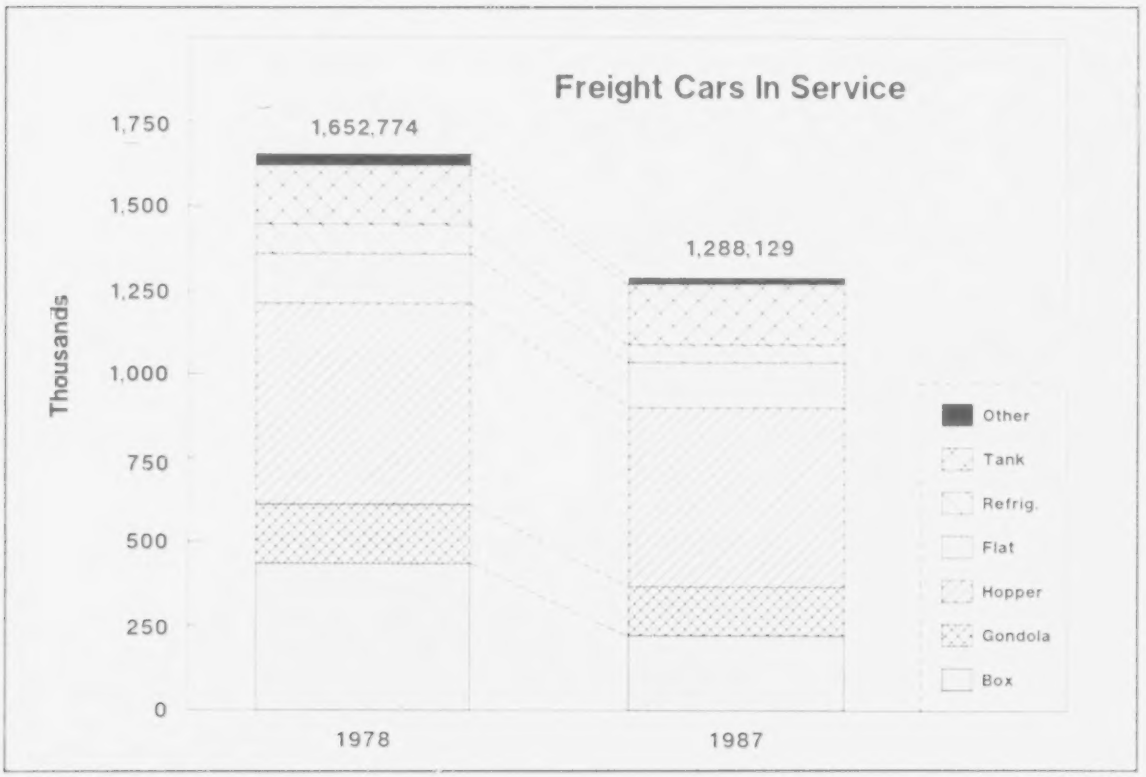
Freight Cars in Service

Year	Total	Class I Railroads	Other Railroads	Car Companies and Shippers
1978	1,652,774	1,225,374	70,007	357,393
1979	1,699,322	1,217,079	91,427	390,816
1980	1,710,827	1,168,114	102,161	440,552
1981	1,672,465	1,111,115	101,091	460,259
1982	1,587,536	1,039,016	91,452	457,068
1983	1,542,278	1,007,165	91,395	443,718
1984	1,486,282	948,171	91,009	447,102
1985	1,421,686	867,070	111,086	443,530
1986	1,339,453	798,631	103,504	437,318
1987	1,288,129	748,523	107,223	432,383

Source: Equipment Data, AAR Transportation Division.



FREIGHT CARS IN SERVICE BY CAR TYPE

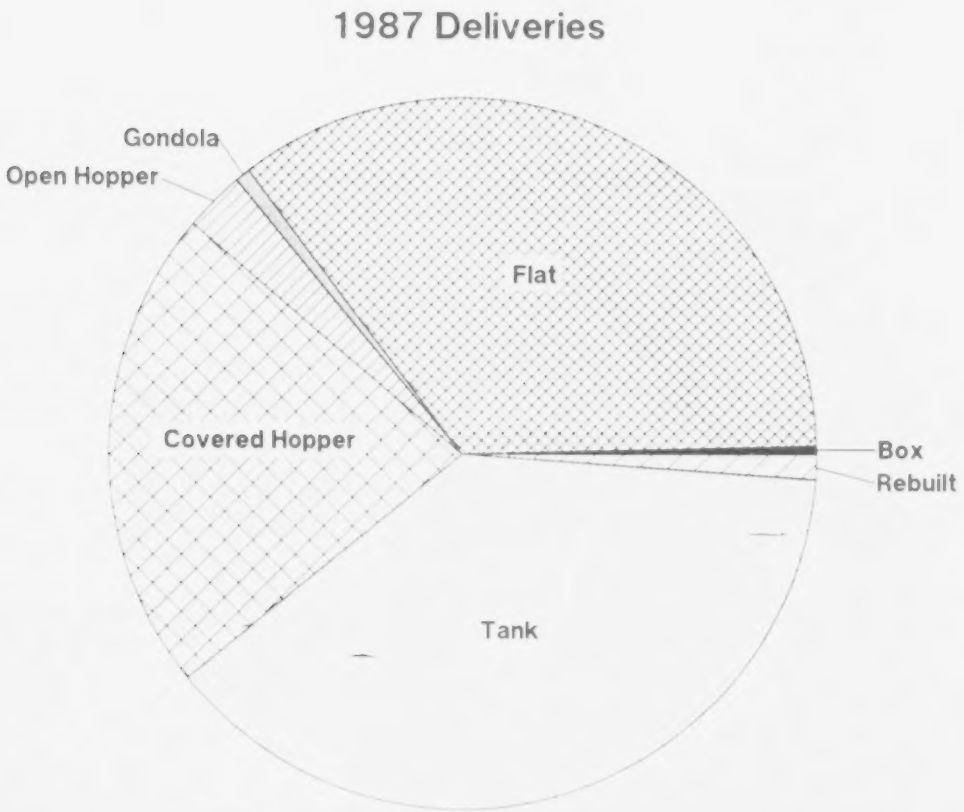


Revenue Freight Cars in Service -- All Railroads and Private Lines

Dec. 31	Plain Box	Equipped Box	Gondola	Hopper	Covered Hopper	Flat	Refrig.	Tank	Other
1978	262,986	172,685	175,777	354,086	246,087	146,402	87,601	174,170	32,980
1979	273,014	179,217	178,979	356,504	268,919	151,377	81,266	178,069	31,977
1980	251,420	179,944	184,875	347,867	299,986	152,661	79,370	183,989	30,715
1981	222,647	172,428	183,692	339,435	311,378	148,724	73,452	190,662	30,047
1982	190,619	162,349	176,931	325,642	306,222	144,508	68,043	185,838	27,384
1983	178,465	157,291	171,554	315,805	303,172	142,291	63,705	183,730	26,265
1984	160,148	148,104	163,663	303,339	302,522	142,046	58,619	182,661	25,180
1985	141,050	136,405	160,958	285,517	299,172	138,839	55,083	181,194	23,468
1986	125,962	111,006	151,859	267,153	291,489	135,653	56,756	177,923	21,652
1987	116,617	105,343	145,217	248,819	285,822	134,219	52,747	180,084	19,261

Source: AAR Transportation Division.

FREIGHT CAR DELIVERIES BY CAR TYPE

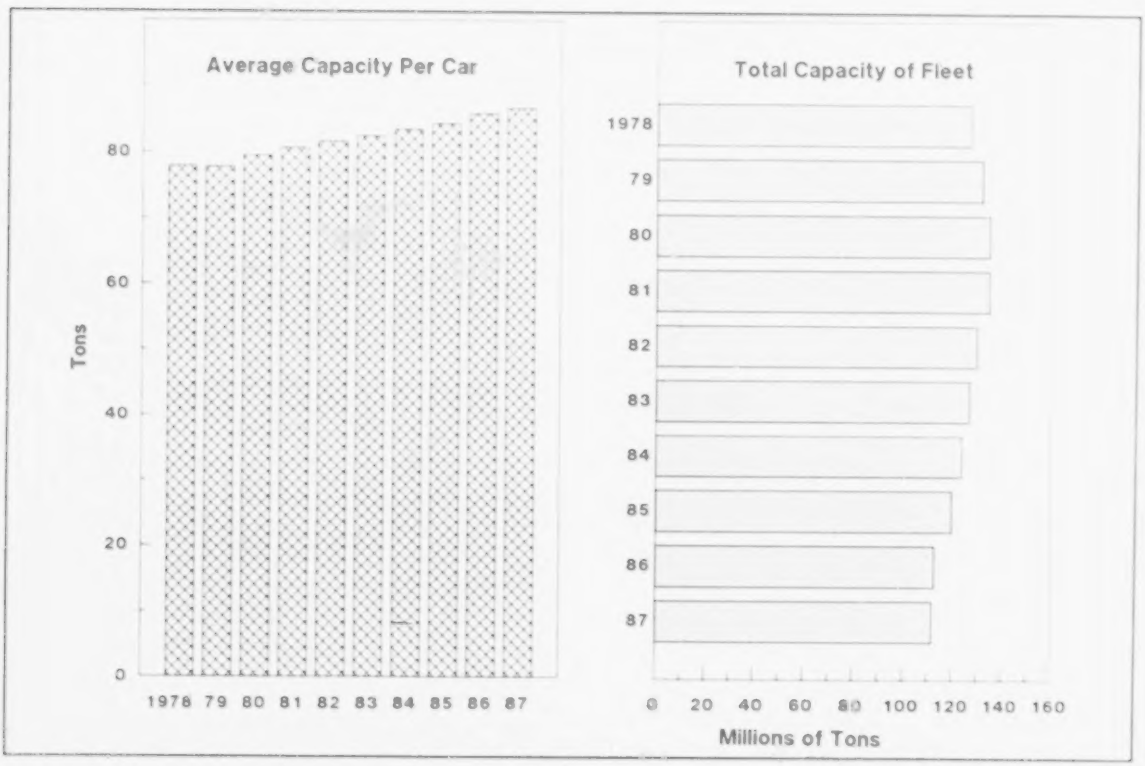


Car Types	1980	1981	1982	1983	1984	1985	1986	1987
Box Cars	14,239	1,571	--	150	--	--	74	51
Flat Cars	5,817	1,449	338	880	2,961	3,797	4,822	4,679
Gondolas	12,894	6,882	2,851	405	1,437	2,520	412	94
O.T. Hoppers	10,091	6,766	3,958	824	780	569	1,038	371
Covered Hoppers	26,731	17,414	5,477	745	3,131	2,352	2,085	2,952
Refrigerators	992	460	150	--	--	--	--	--
Tank Cars	10,942	8,577	4,046	2,740	3,717	2,687	3,077	5,086
Others	3,759	1,706	416	28	370	155	--	3
Total New Cars	85,465	44,825	17,236	5,772	12,396	12,080	11,508	13,236
Rebuilt Cars	1,163	1,100	1,500	100	--	--	95	150
GRAND TOTAL	86,628	45,925	18,736	5,872	12,396	12,080	11,603	13,386

Source: AAR Transportation Division and American Railway Car Institute.

ONE DAY CAPACITY OF THE FREIGHT CAR FLEET

Year	No. of Freight Cars (millions)	Average Capacity Per Car (tons)	Total Capacity (million tons)
1978	1.65	77.8	127
1979	1.70	77.7	132
1980	1.71	79.4	135
1981	1.67	80.6	135
1982	1.59	81.6	130
1983	1.54	82.4	127
1984	1.49	83.4	124
1985	1.42	84.3	120
1986	1.34	85.8	113
1987	1.29	86.6	112



RAILROAD CAR TYPES AND COMMODITIES

Commodity	Type of Car					
	Box	Covered Hopper	Flat	Gondola	Hopper	Tank
Coal				X	X	
Chemicals & Allied Prod.	X	X				X
Coke					X	
Crushed Stone & Gravel				X	X	
Food & Kindred Products	X					
Freight Frwding Shipper	X		X			
Grain & Grain Mill Products	X	X				
Lumber & Wood Products	X		X			
Metallic Ores					X	
Metals & Products	X		X	X		
Motor Vehicles & Equip.	X		X			
Nonmetallic Minerals		X			X	
Pulp, Paper & Allied Prod.	X					
Petroleum Products						X
Primary Forest Products			X	X		
Stone, Clay & Glass Prod.	X	X				
TOFC Traffic			X			
Waste & Scrap Materials	X			X		

Source: Merrill Lynch, Railroad Equipment and AAR Transportation Division.

THE LOCOMOTIVE FLEET BY TYPE OF UNIT

	Locomotives in Service		
Year	Total	Diesel	Other
1978	27,400	27,184	216
1979	28,097	27,922	175
1980	28,396	28,243	153
1981	27,806	27,732	74
1982	27,071	27,000	71
1983	25,836	25,775	61
1984	24,504	24,443	61
1985	22,930	22,869	61
1986	21,159	21,098	61
1987	20,028	19,956	72

Notes: Includes Amtrak locomotives for all years.

Sources: R-1 Annual Reports to the ICC and supplemental information from Amtrak.

HORSEPOWER OF THE DIESEL LOCOMOTIVE FLEET

Year	Units in Service	Average HP Per Unit	Aggregate Horsepower (millions)
1978	27,184	2,204	59.9
1979	27,922	2,258	63.0
1980	28,243	2,300	65.0
1981	27,732	2,326	64.5
1982	27,000	2,341	63.2
1983	25,775	2,246	57.9
1984	24,443	2,415	59.0
1985	22,869	2,469	56.5
1986	21,098	2,531	53.4
1987	19,956	2,549	50.9

Note: Includes Amtrak locomotives for all years.

Sources: Analysis of Class I Railroads and supplemental information from Amtrak.

RAILROAD FUEL PRICES

Price Per Gallon
(Average of twelve months)

Year	Cents	Index
1978	37.89	100.0
1979	57.60	152.0
1980	83.00	219.1
1981	100.22	264.5
1982	95.43	251.9
1983	83.12	219.4
1984	82.57	217.9
1985	78.34	206.8
1986	49.23	129.9
1987	53.81	142.0

Source: Analysis of Class I Railroads.

RAILROAD CONSUMPTION OF DIESEL FUEL

(Millions of Gallons)

Year	Total	Freight Service	Passenger Service	Switching	Work Train
1978	3,980	3,519	52	392	17
1979	4,081	3,648	39	377	17
1980	3,956	3,581	35	323	17
1981	3,774	3,429	34	293	18
1982	3,178	2,872	34	258	15
1983	3,137	2,872	11	240	15
1984	3,388	3,104	11	252	21
1985	3,144	2,878	11	232	23
1986	3,039	2,787	11	221	20
1987	3,102	2,864	11	215	12

Source: Analysis of Class I Railroads.

OPERATING RATIOS

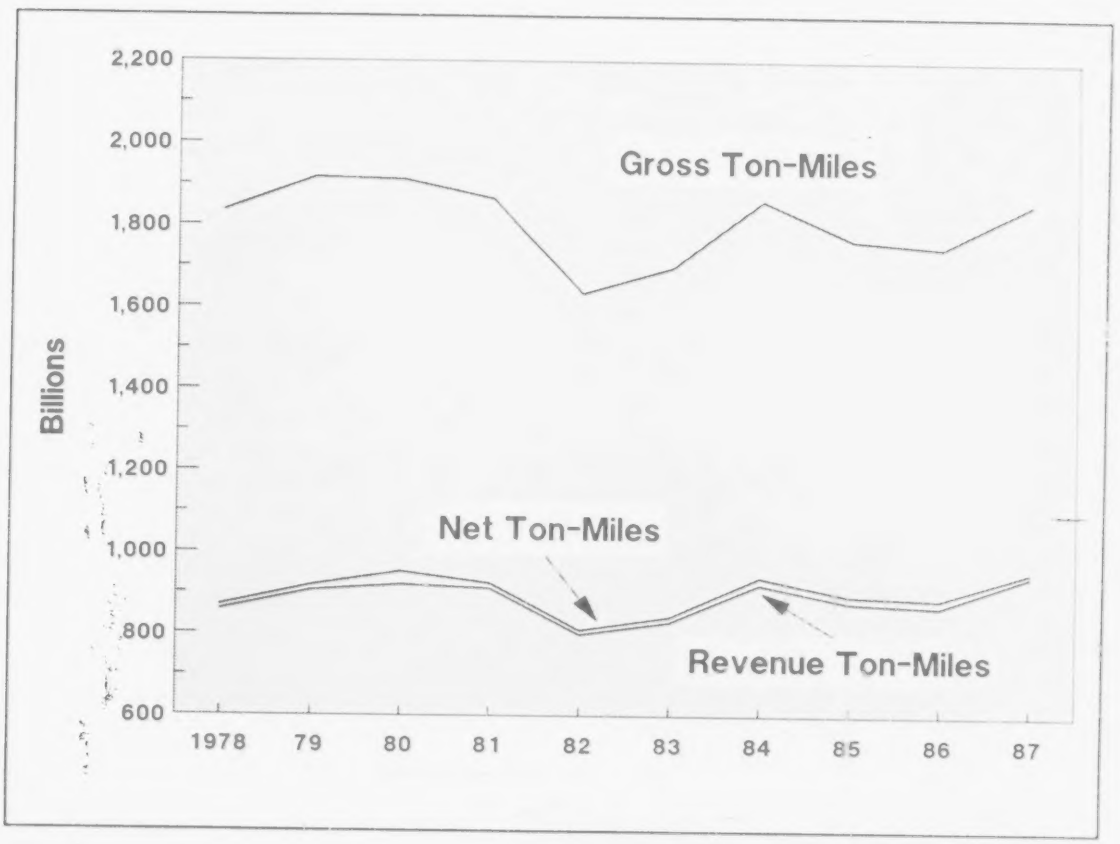
NOTES

TON-MILES PER MILE OF ROAD

Year	Gross Ton-Miles (millions)	Net Ton-Miles (millions)	Revenue Ton-Miles (millions)	Avg. Miles Operated in Freight Service	Thousands of Ton-Miles per Mile of Road: Gross Ton-Miles	Net Ton-Miles	Revenue Ton-Miles
1978	1,835,490	868,515	857,921	191,917	9,564	4,525	4,470
1979	1,906,804	917,660	904,956	183,497	10,391	5,001	4,932
1980	1,910,729	951,914	918,958	176,769	10,809	5,385	5,199
1981	1,865,396	923,167	910,169	177,012	10,538	5,215	5,142
1982	1,634,213	808,910	797,759	173,656	9,411	4,658	4,594
1983	1,698,163	841,349	828,275	169,862	9,997	4,953	4,876
1984	1,861,926	939,401	921,542	165,221	11,269	5,686	5,578
1985	1,765,368	893,809	876,984	161,037	10,962	5,550	5,446
1986	1,747,921	886,043	867,722	155,315	11,254	5,705	5,587
1987	1,856,429	953,808	943,747	147,566	12,580	6,464	6,395

Note: Gross ton-miles include weight of load and freight cars, but exclude weight of locomotives; net ton-miles represent the sum of revenue and non-revenue ton-miles.

Source: Analysis of Class I Railroads.



FREIGHT CAR MILES

Year	Total Freight Car-Miles (millions)	Loaded Car-Miles (millions)	Empty Car-Miles (millions)	Loaded Car-Miles as a Percent of Total
1978	29,076	16,890	12,186	58.1 %
1979	29,437	16,831	12,606	57.1
1980	29,277	16,017	13,260	54.7
1981	27,968	15,243	12,725	54.5
1982	23,951	13,276	10,675	55.4
1983	24,358	13,769	10,589	56.4
1984	26,409	15,043	11,366	57.0
1985	24,920	14,251	10,669	57.2
1986	24,414	14,022	10,392	57.4
1987	25,627	14,908	10,719	58.2

Note: Non-revenue car-miles have been divided equally between loaded and empty car-miles.

Source: Analysis of Class I Railroads.

NET TON-MILES PER LOADED CAR-MILE

Year	Net Ton-Miles (millions)	Loaded Car-Miles (millions)	Net Ton-Miles Per Loaded Car-mile
1978	868,515	16,890	51.4
1979	917,660	16,831	54.5
1980	951,914	16,017	59.4
1981	923,167	15,243	60.6
1982	808,910	13,276	60.9
1983	841,349	13,769	61.1
1984	939,401	15,043	62.4
1985	893,809	14,251	62.7
1986	886,043	14,022	63.2
1987	953,808	14,908	64.0

Note: Loaded car-miles include 50 percent of non-revenue car-miles.

Source: Analysis of Class I Railroads.

AVERAGE NUMBER OF TONS PER CARLOAD ORIGINATED

Year	Tons Originated (thousands)	Carloads Originated (thousands)	Tons per Carload Originated
1978	1,390,132	22,477	61.7
1979	1,481,154	23,086	64.2
1980	1,492,414	22,223	67.2
1981	1,453,022	21,343	68.1
1982	1,268,645	18,585	68.3
1983	1,292,607	19,013	68.0
1984	1,429,388	20,946	68.2
1985	1,319,794	19,501	67.7
1986	1,305,839	19,589	66.7
1987	1,372,262	20,602	66.6

Source: Analysis of Class I Railroads.

REVENUE TON-MILES PER CAR LOADED

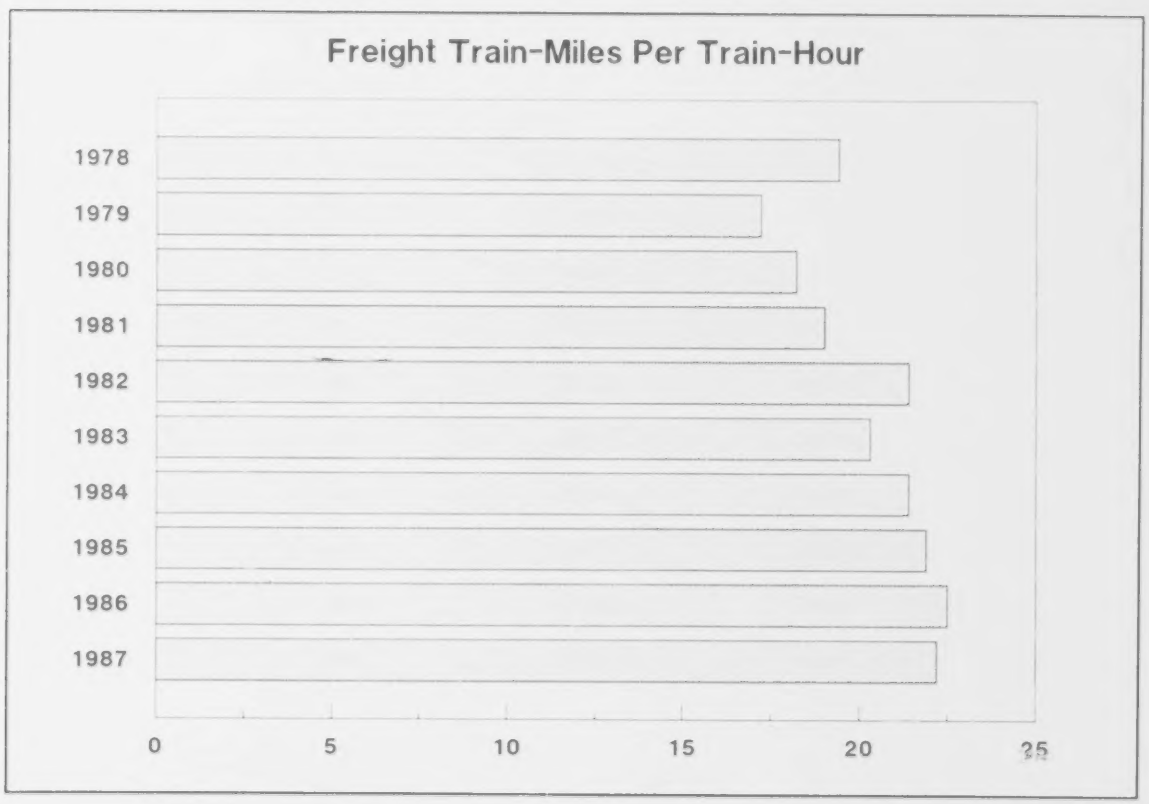
Year	Revenue Ton-Miles (millions)	Freight Carloadings (thousands)	Revenue Ton-Miles per Car Loaded
1978	857,921	22,477	38,169
1979	904,956	23,086	39,199
1980	918,958	22,223	41,352
1981	910,169	21,343	42,645
1982	797,759	18,585	42,925
1983	828,275	19,013	43,564
1984	921,542	20,946	43,996
1985	876,984	19,501	44,971
1986	867,722	19,589	44,296
1987	943,747	20,602	45,809

Source: Analysis of Class I Railroads.

FREIGHT TRAIN-MILES PER TRAIN-HOUR

Year	Freight Train-Miles (thousands)	Freight Train-Hours (thousands)	Freight Train-Miles per Train-Hour
1978	432,895	22,351	19.4
1979	437,848	25,514	17.2
1980	428,498	23,567	18.2
1981	407,520	21,415	19.0
1982	344,936	16,104	21.4
1983	345,916	17,027	20.3
1984	369,403	17,248	21.4
1985	347,292	15,864	21.9
1986	347,234	15,438	22.5
1987	360,693	16,248	22.2

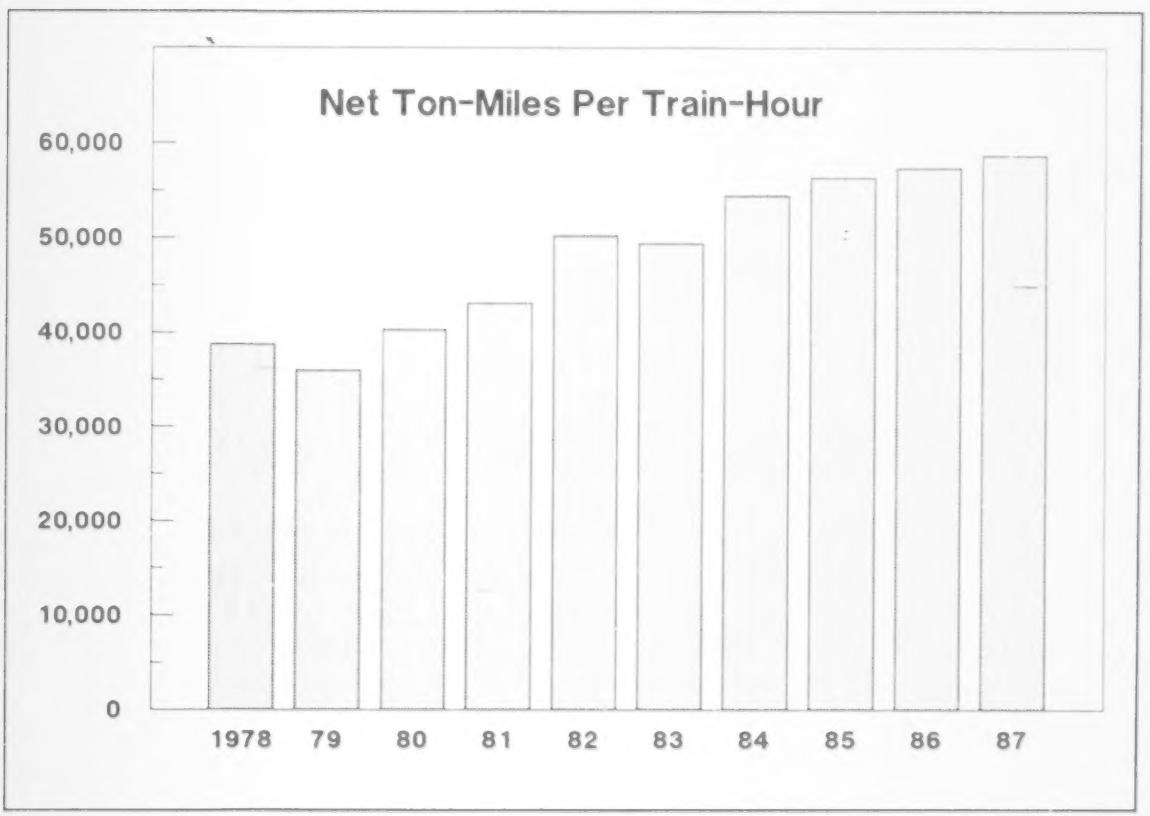
Source: Analysis of Class I Railroads.



NET TON-MILES PER TRAIN-HOUR

Year	Net Ton-Miles (millions)	Freight Train-Hours (thousands)	Net Ton-Miles Per Train-Hour
1978	868,515	22,351	38,858
1979	917,660	25,514	35,967
1980	951,914	23,567	40,392
1981	923,167	21,415	43,109
1982	808,910	16,104	50,232
1983	841,349	17,027	49,413
1984	939,401	17,248	54,465
1985	893,809	15,864	56,343
1986	886,043	15,438	57,393
1987	953,808	16,248	58,703

Source: Analysis of Class I Railroads.

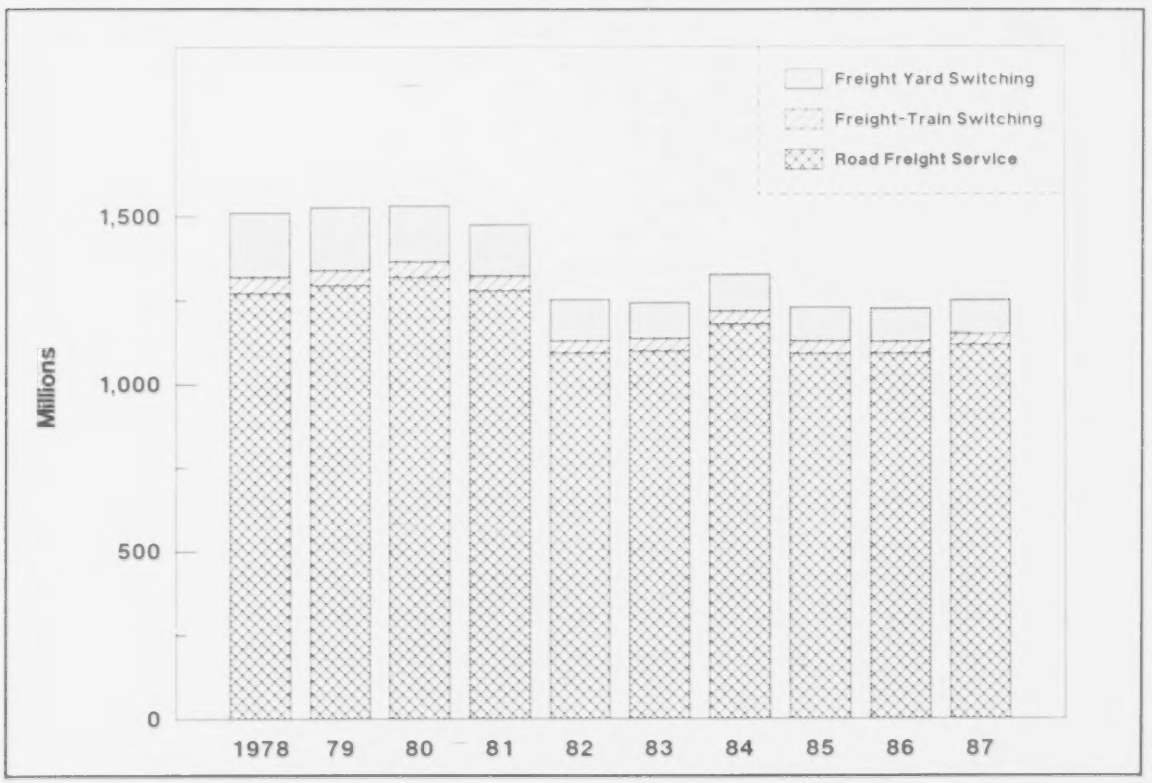


LOCOMOTIVE UNIT-MILES IN FREIGHT SERVICE

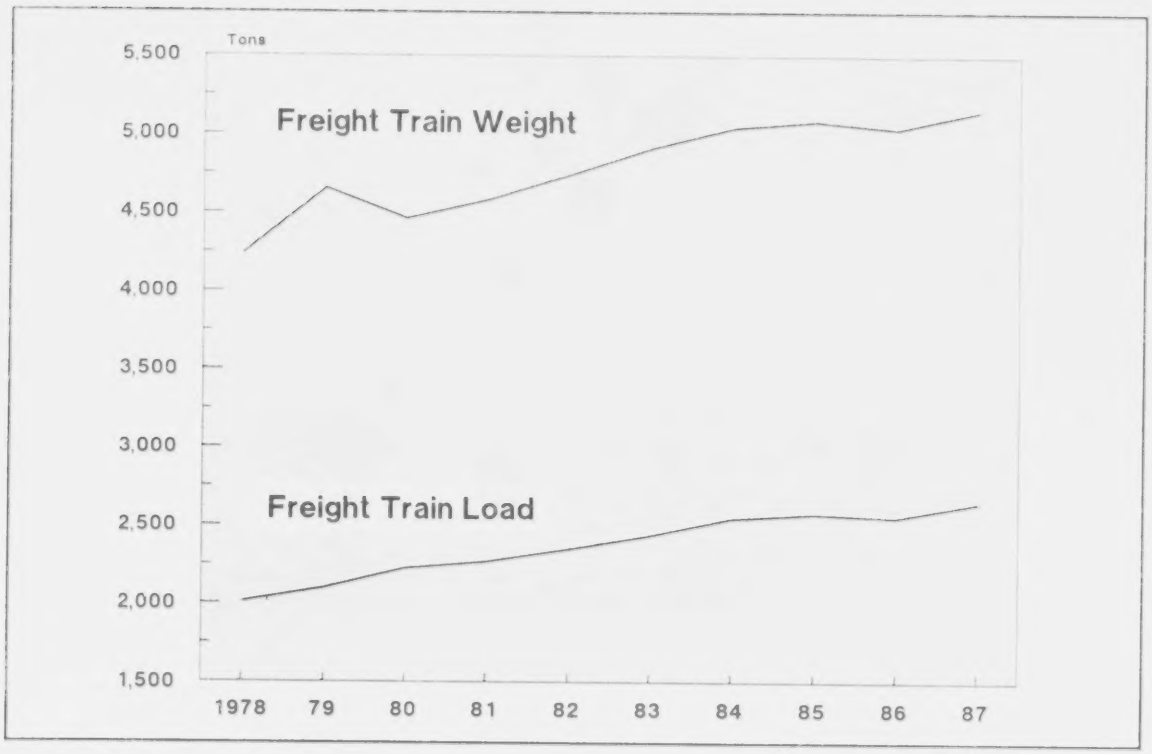
(Unit-miles in thousands)

Year	Total	Road Freight Service	Freight-Train Switching	Freight Yard Switching
1978	1,510,827	1,270,606	48,109	192,112
1979	1,526,093	1,293,799	45,820	186,474
1980	1,531,050	1,319,010	45,808	166,232
1981	1,474,904	1,278,128	43,718	153,059
1982	1,251,962	1,092,306	36,853	122,803
1983	1,242,025	1,096,471	37,930	107,624
1984	1,326,470	1,176,831	39,147	110,492
1985	1,228,136	1,088,622	37,591	101,923
1986	1,223,633	1,089,896	34,858	98,878
1987	1,249,220	1,115,547	31,965	101,707

Source: Analysis of Class I Railroads.



AVERAGE FREIGHT TRAIN LOAD



Year	Gross Ton-Miles Excluding Locomotives (millions)	Net Ton-Miles (millions)	Freight Train-Miles (thousands)	Avg. Freight-Train Weight Including Weight of Cars (tons)	Avg. Freight-Train Load (tons)
1978	1,835,490	868,515	432,895	4,240	2,006
1979	1,906,804	917,660	437,848	4,355	2,096
1980	1,910,729	951,914	428,498	4,459	2,222
1981	1,865,396	923,167	407,520	4,577	2,265
1982	1,634,213	808,910	344,936	4,738	2,345
1983	1,698,163	841,349	345,916	4,909	2,432
1984	1,861,926	939,401	369,403	5,040	2,543
1985	1,765,368	893,809	347,292	5,083	2,574
1986	1,747,921	886,043	347,234	5,034	2,552
1987	1,856,429	953,808	360,693	5,147	2,644

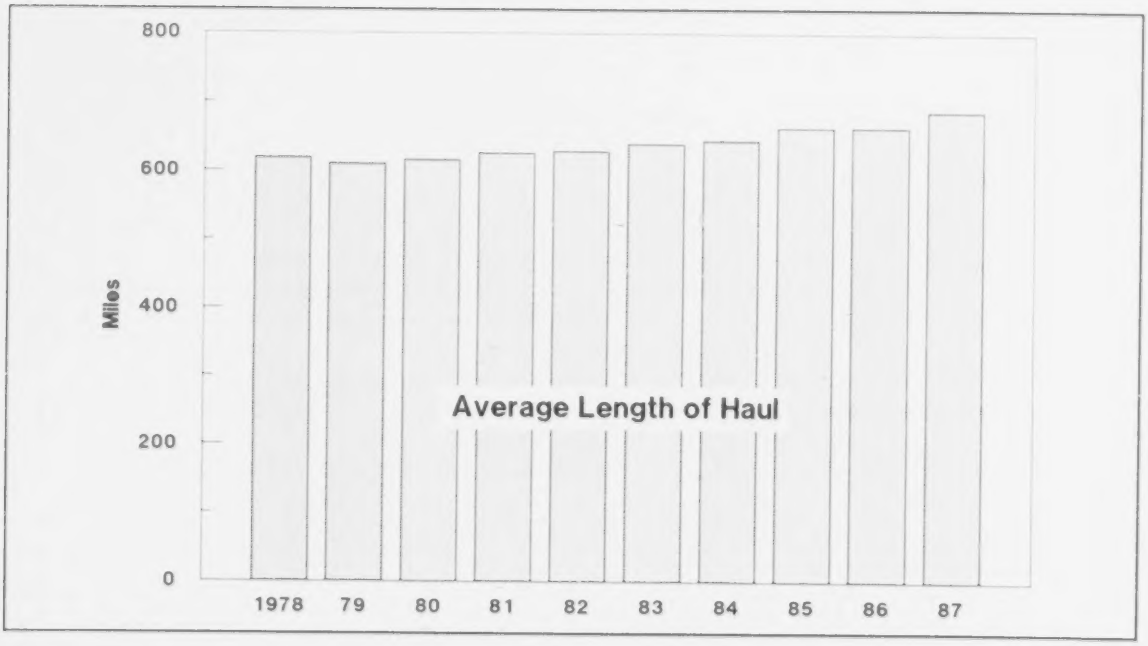
Source: Analysis of Class I Railroads.

AVERAGE LENGTH OF RAILROAD HAUL

Year	Revenue Ton-Miles (billions)	Tons Originated (millions)	Average Length of Haul (miles)
1978	858	1,390	617
1979	905	1,481	611
1980	919	1,492	616
1981	910	1,453	626
1982	798	1,269	629
1983	828	1,293	641
1984	922	1,429	645
1985	877	1,320	664
1986	868	1,306	664
1987	944	1,372	688

Note: Average length of haul, as computed above, treats all Class I railroads as a system.

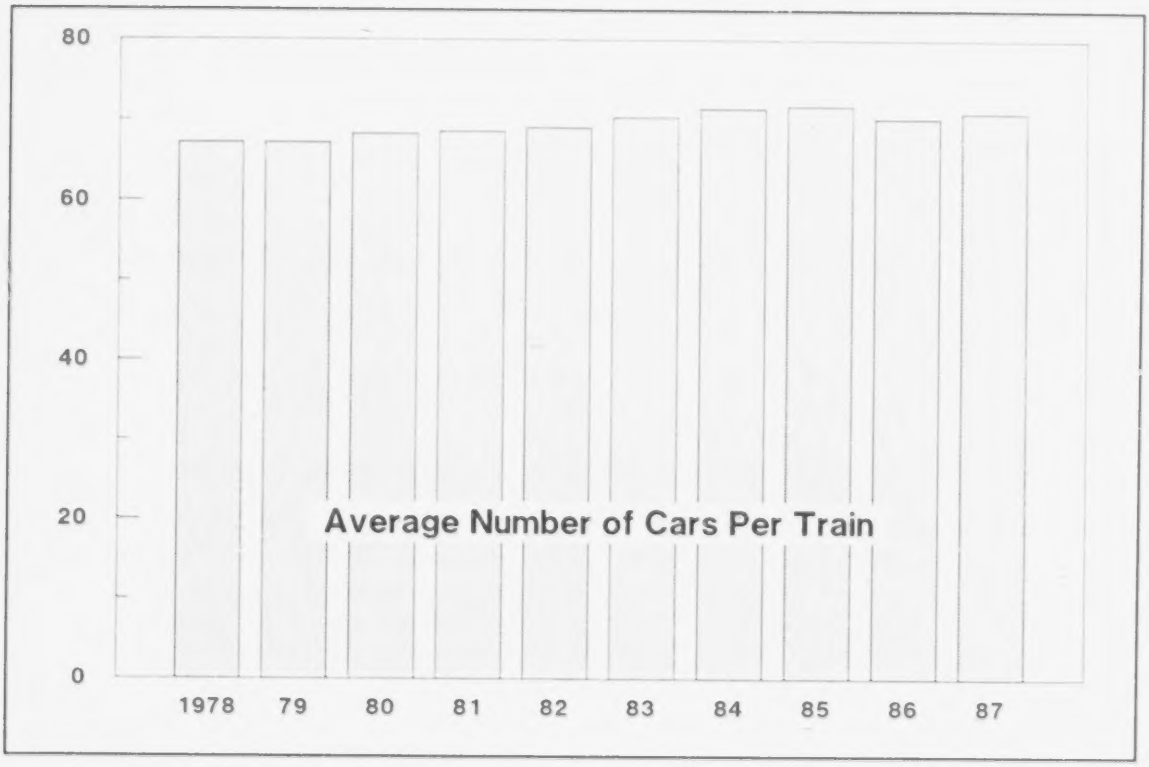
Source: Analysis of Class I Railroads.



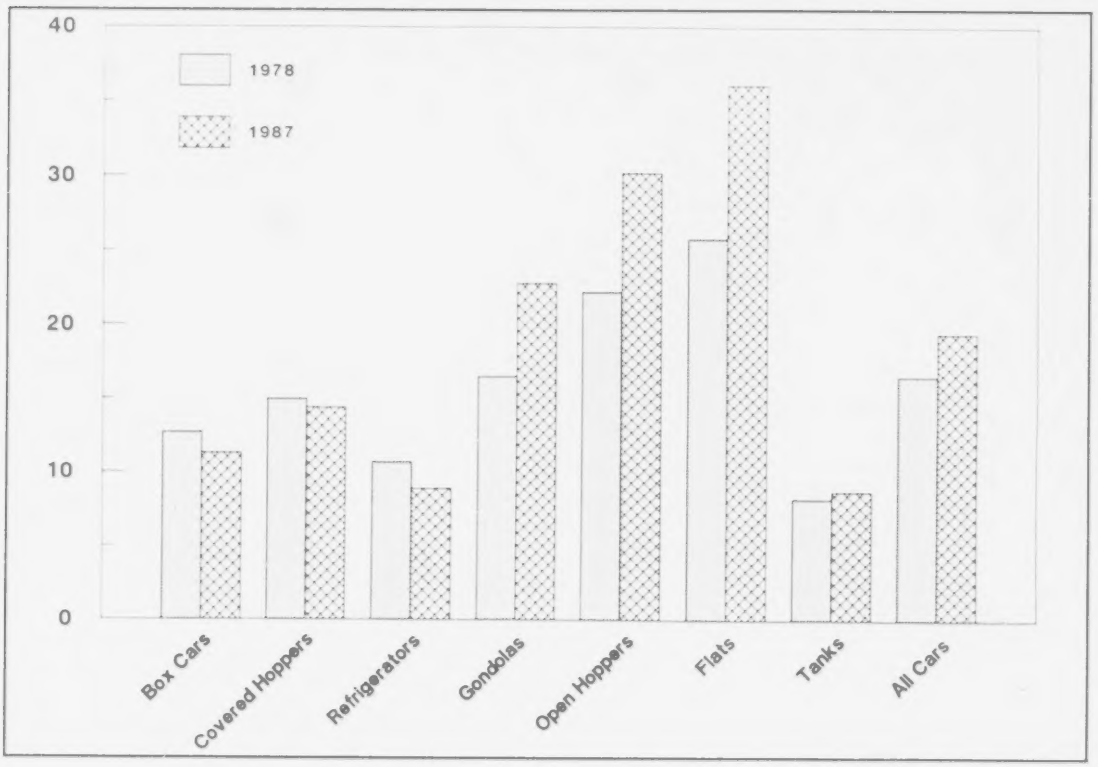
CARS PER AVERAGE FREIGHT TRAIN

Year	Total Freight Car-Miles (millions)	Freight Train-Miles (thousands)	Average Number of Cars Per Train
1978	29,076	432,895	67.2
1979	29,437	437,848	67.2
1980	29,277	428,498	68.3
1981	27,968	407,520	68.6
1982	23,951	344,936	69.4
1983	24,358	345,916	70.4
1984	26,409	369,403	71.5
1985	24,920	347,292	71.8
1986	24,414	347,234	70.3
1987	25,627	360,693	71.0

Source: Analysis of Class I Railroads.



AVERAGE NUMBER OF FREIGHT CAR TRIPS PER YEAR



Year	Box Cars	Covered Hoppers	Refrig-erators	Gondolas	Open Top Hoppers	Flats	Tanks	All Cars
1978	12.7	15.0	10.7	16.5	22.2	25.8	8.2	16.5
1979	11.7	14.0	10.2	17.3	25.5	24.3	8.1	16.5
1980	10.7	14.0	10.0	17.8	24.8	20.8	7.7	15.8
1981	9.7	12.0	8.9	17.8	25.3	21.0	7.3	15.1
1982	8.2	11.0	7.7	14.8	21.7	22.0	6.5	13.6
1983	8.8	12.0	7.4	16.2	21.7	26.6	7.0	14.7
1984	9.1	12.0	7.0	18.0	24.8	29.2	7.3	16.0
1985	9.4	11.0	7.0	19.1	24.8	30.9	7.4	16.2
1986	10.2	12.0	7.6	20.4	27.7	33.8	7.9	17.5
1987	11.3	14.4	8.9	22.8	30.2	36.1	8.7	19.4

Source: AAR Transportation Division.

FREIGHT LOSS AND DAMAGE CLAIMS

Year	Claims (million $)	Percent of Freight Revenue
1978	$ 304	1.32 %
1979	328	1.22
1980	325	1.08
1981	257	0.75
1982	233	0.77
1983	162	0.53
1984	161	0.46
1985	152	0.46
1986	143	0.47
1987	129	0.44

Source: AAR Freight Claims Division.

NUMBER OF OVERHEATED JOURNALS PER FREIGHT CAR MILE

Year	Overheated Journals	Freight Car-Miles (millions)	Overheated Journals per Million Car-Miles
1978	11,917	29,076	0.41
1979	11,895	29,437	0.40
1980	8,519	29,277	0.29
1981	8,187	27,968	0.29
1982	5,375	23,951	0.22
1983	4,951	24,358	0.20
1984	4,874	26,409	0.18
1985	4,460	24,920	0.18
1986	3,406	24,414	0.14
1987	3,579	25,627	0.14

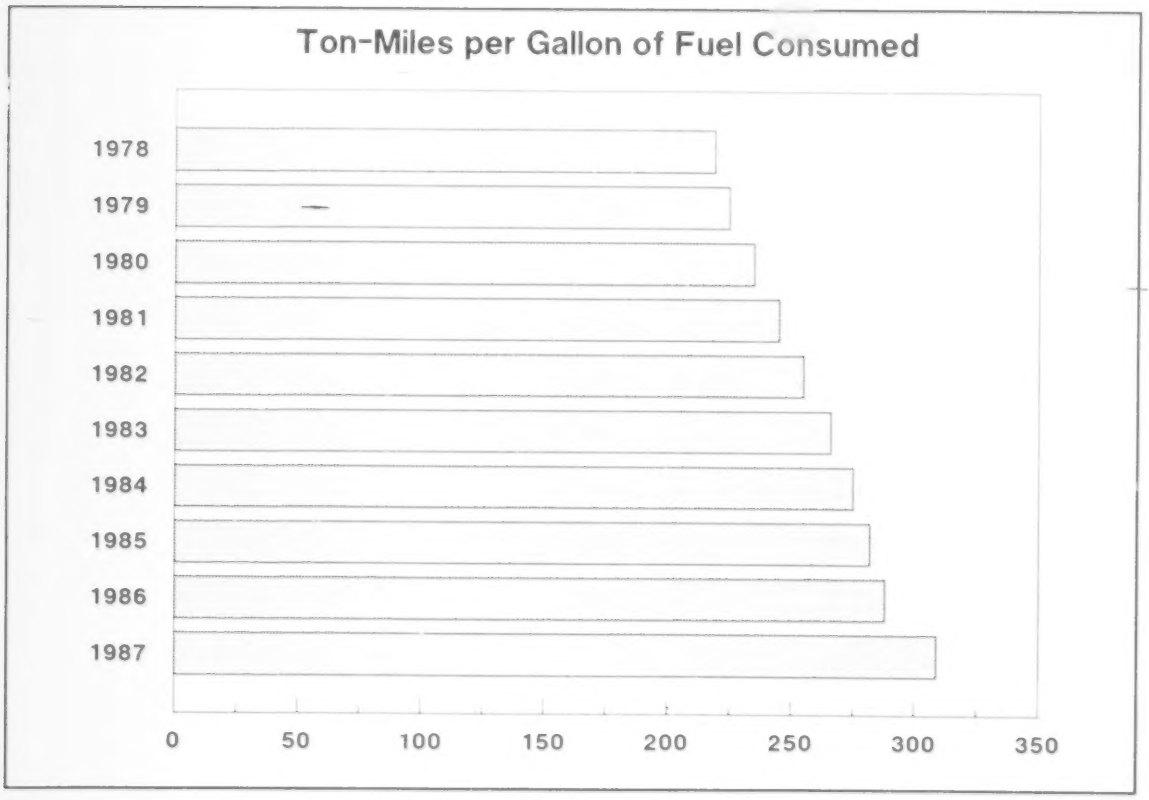
Note: An overheated journal is generally referred to as a hot box.

Source: AAR Mechanical Division.

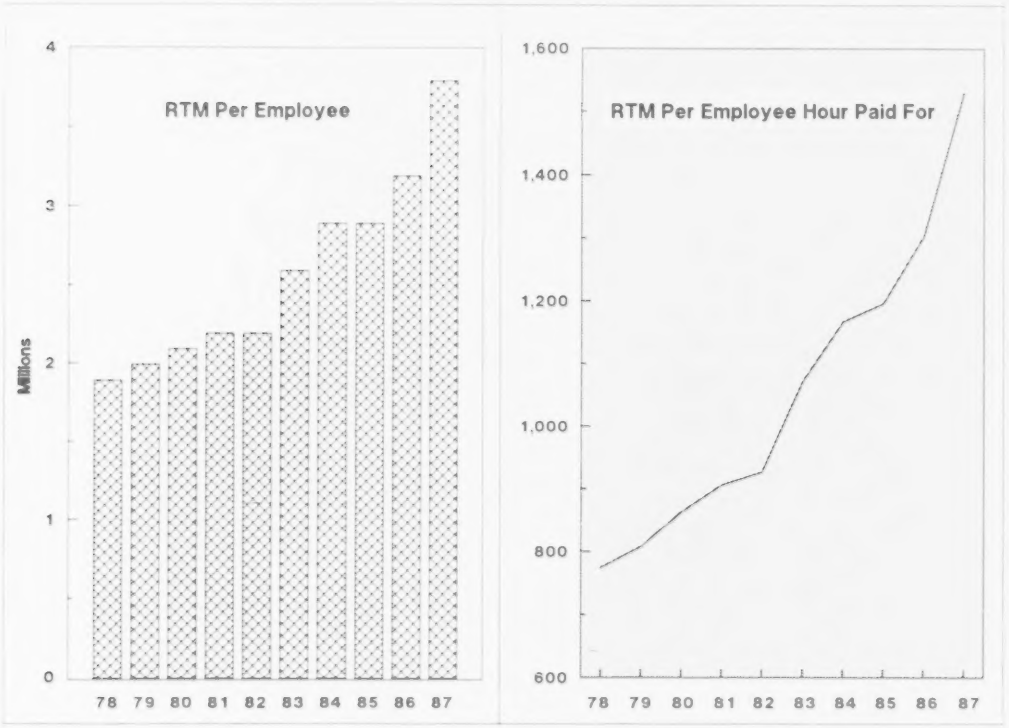
RAILROAD FUEL EFFICIENCY

Year	Revenue Ton-Miles (millions)	Fuel Consumed in Freight Service and Switching (million gallons)	Ton-Miles per Gallon of Fuel Consumed
1978	857,921	3,911	219
1979	904,956	4,025	225
1980	918,958	3,904	235
1981	910,169	3,722	245
1982	797,759	3,130	255
1983	828,275	3,112	266
1984	921,542	3,355	275
1985	876,984	3,110	282
1986	867,722	3,008	288
1987	943,747	3,079	307

Sources: R-1 Annual Reports to the ICC, Schedules 750 and 755.



RAILROAD TON-MILES PER EMPLOYEE AND EMPLOYEE HOUR



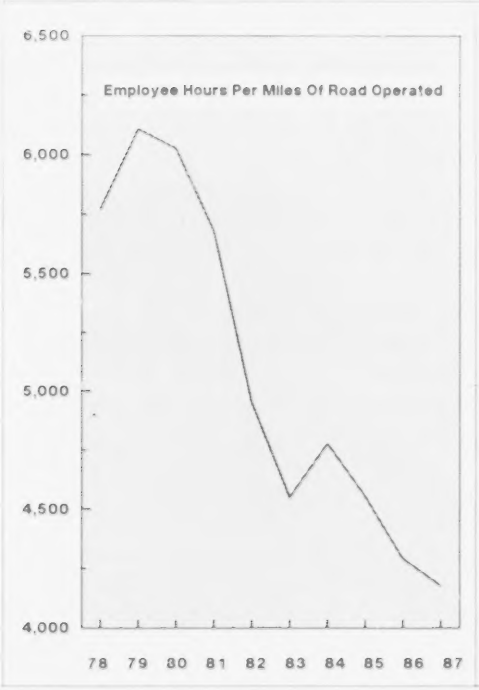
Year	Freight Revenue Ton-Miles Per Employee (millions)	Employee Hours Paid For
1978	1.9	774
1979	2.0	808
1980	2.1	863
1981	2.2	906
1982	2.2	927
1983	2.6	1,072
1984	2.9	1,167
1985	2.9	1,196
1986	3.2	1,302
1987	3.8	1,531

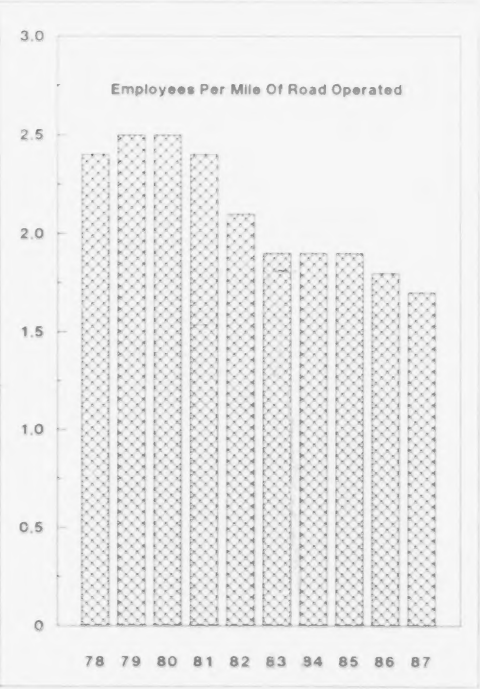
Notes: Freight Service employment and hours estimated on the basis of ratio of freight operating expenses to total operating expenses.

EMPLOYEES AND EMPLOYEE HOURS PER MILE OF ROAD

Year	Employees Per Mile of Road Operated (Freight)	Employee Hours Per Mile of Road Operated (Freight)
1978	2.4	5,772
1979	2.5	6,107
1980	2.5	6,025
1981	2.4	5,678
1982	2.1	4,954
1983	1.9	4,551
1984	1.9	4,778
1985	1.9	4,555
1986	1.8	4,292
1987	1.7	4,178

Notes: Freight Service employment and hours estimated on the basis of ratio of freight operating expenses to total operating expenses.





PROFILES

THE ASSOCIATION OF AMERICAN RAILROADS

50 F Street, N.W.
Washington, D.C. 20001-1564

TECHNICAL CENTER
3140 Federal Street
Chicago, Illinois 60616

TRANSPORTATION TEST CENTER
Test Center Road
Pueblo, Colorado 81001

Inception

The AAR was established in 1934 as an umbrella organization consolidating a number of smaller, more specialized groups. Among its forerunners were the Master Car Builders, the General Time Convention, the American Railway Association, the Association of Railway Executives, the Railway Accounting Officers Association, the Railway Treasury Officers Organization, the Bureau of Railway Economics, and the Bureau for Safe Transportation of Explosives and Other Dangerous Articles.

Services Provided

The AAR serves it members in matters that require joint handling to better enable the railroads to contribute toward the goals of the national transportation policy set forth by Congress. These matters include operations, maintenance, safety, research, economics, finance, accounting, data systems, and public information. In addition, the AAR represents the railroads before the courts, administrative tribunals, Congressional committees, and other governmental bodies. One of the Association's most important functions is to work with committees made up of representatives of member railroads on matters affecting the industry as a whole.

Membership (1987)

48 U.S. Railroads
13 Canadian lines and Mexican lines
57 Associate members

Composition of Board of Directors

The Board of Directors is composed of the Chief Executive Officers (Presidents, Chairmen, Trustees, and Receivers) or other such officers or directors approved by the Board, and the President of the AAR who is Ex Officio Chairman.

Departmental Organization

Administrative and Executive
Research and Test
Operations and Maintenance
Information and Public Affairs
Legislative
Economics and Finance
Law

Subsidiary Organization

RAILINC

AMERICAN SHORT LINE RAILROAD ASSOCIATION

2000 Massachusetts Avenue, N.W.
Washington, D.C. 20036

Inception

In 1913, representatives of 22 short line railroads organized the Short Line Railroad Association of the Southeast. Accumulated experience led to the general belief that this Association should become national in scope, and subsequently the name was changed to the American Short Line Railroad Association. The general office of the Association was established in Washington, D.C. in 1917.

Services Rendered

Services provided by the ASLRA for its nationwide membership include keeping them informed of all proposed rules and regulations and matters of current interest; statutory agent functions; legal consultation pertinent to proceedings before the various agencies; representation before various government bodies and Committees of Congress on pending and proposed legislation; retention of a close relationship with the Association of American Railroads through membership on the various AAR committees; and nationwide representation on all rate associations to insure protection of member lines' interests on traffic-related subjects.

Membership

336 Railroads
231 Associate members

Source: American Short Line Railroad Association.

REGIONAL RAILROADS OF AMERICA

324 4th Street, N.E.
Washington, D.C. 20002

Inception

Regional Railroads of America was formed in January 1987 as a lobbying organization concentrating primarily on issues facing regional railroads as small businesses. The sole purpose of the organization is to encourage change in federal laws as applied to regional rail carriers. Specifically the RRA is concentrating on the Railroad Retirement system; rules concerning labor protection; FELA legislation; and rulings on secondary picketing. In addition the RRA is also studying the infrastructure of the industry to determine the rehabilitation requirements necessary to ensure a successful business.

Services

The members of the RRA testify before Congress, write and distribute position papers, give speeches and lobby individual members of Congress. The RRA is organized on a committee-basis, with each committee being chaired by a member. Most business is conducted by those committees.

Membership

72 Class II and Class III railroads
29 Associate members from rail-related industries

Composition of Board of Directors

The RRA has a nine-member board composed of CEO's or other executive officers of member roads.

Source: Regional Railroads of America.

FRUIT GROWERS EXPRESS

3220 Duke Street
Alexandria, Virginia 22314

Inception

Fruit Growers Express was incorporated March 18, 1920.

Ownership

Five railroads.

Operating Characteristics

Fruit Growers Express supplies refrigerator cars and furnishes protective services to railroads for transportation of perishables. It also owns car shops for building and repair of cars.

Equipment Ownership (12/31/87)

2,083	Refrigerator cars
4,083	Insulated cars

Financial Data (1987)

(dollars in thousands)

$60,476	Total Assets
24,316	Total Liabilities
36,160	Stockholders' Equity
33,126	Total Revenues
28,133	Costs and Expenses
8,807	Net Earnings

Source: Annual Stockholders' Report.

NATIONAL RAILWAY LABOR CONFERENCE

1901 L Street, N.W.
Suite 500
Washington, D.C. 20036

Inception

The National Railway Labor Conference became operational on January 1, 1963, when it took over the responsibilities of three regional associations that had been the railroads' representatives in labor negotiations in their respective areas. The NRLC offices were moved from Chicago to Washington, D.C. in 1968.

Services Provided

NRLC represents the railroad industry in bargaining of national labor contracts with thirteen major unions. The scope of its representation of the industry extends to virtually all large railroads (except AMTRAK) and many smaller lines. It advises railroads on labor-related matters, including the interpretation of contracts. NRLC frequently presents testimony before Congressional committees.

Source: National Railway Labor Conference.

PROFILES

RAILROAD RETIREMENT BOARD

844 Rush Street
Chicago, Illinois 60611

Background

The first Railroad Retirement Act, enacted on June 27, 1934, was declared unconstitutional by the Supreme Court before it became operational. A new retirement bill was enacted on August 29, 1935. This bill was also challenged on the grounds that neither the railroads, nor the employees could be forced to contribute to annuity payments. At the suggestion of President Roosevelt, the President of the Association of American Railroads and the Chairman of the Railway Labor Executives' Association formed a joint conference to work out a solution to the pension issue. The conference's proposals resulted in the Railroad Retirement Act of 1937. Since that time, there have been many amendments and additions to the Act.

Functions of the Board

The Board's major function is to administer, under Federal control, a retirement, unemployment, and sickness benefit system covering railroad workers engaged in interstate commerce, and employees of railroad labor organizations and their subordinate units, and railroad associations.

Source: Railroad Retirement Board.

RAILWAY PROGRESS INSTITUTE

700 North Fairfax Street
Alexandria, Virginia 22314

Inception

Organized as the Railway Business Association in 1908, the name was changed to Railway Progress Institute in 1955.

Services Provided

The Railway Progress Institute is a national association that represents about 150 railroad equipment and supply companies. Primarily, the Institute's services relate to governmental affairs and technical operations in connection with the Association of American Railroads.

Source: Railway Progress Institute.

TRAILER TRAIN

101 North Wacker Drive
Chicago, Illinois 60606

Inception

Trailer Train was created on November 9, 1955, and began operations March 17, 1956, predicated upon a need to meet public demand for TOFC service with emphasis on uniform design characteristics to permit expeditious interchanging of traffic. Trailer Train commenced operations with a fleet of 500 cars. The fleet was expanded in the early 1960's to include double and triple deck rack cars for transportation of new automobiles. Other specialized flat cars were added in subsequent years.

Ownership

24 railroads.

Operational Characteristics

Trailer Train's free-running fleet is available to railroads upon demand. This provides access to a large fleet of cars without incurring long-term financial obligations. Car hire rates are priced at levels below ICC rates.

Size of Fleet 12/31/87

86,128	Flat Cars
13,362	Box Cars
1,470	Gondolas
100,960	Total

Financial Data (1987)

$1,205,742	Total Assets
830,404	Total Liabilities
375,338	Stockholders' Equity
405,442	Operating Expenses
207,361	Car Maintenance
54,526	Net Income

Subsidiaries

"Railbox" was established in 1974 to provide a fleet of free-running box cars. "Railgon" was formed in May 1979 to provide a gondola fleet.

Source: Annual Stockholders' Report.

RAILWAY ENGINEERING-MAINTENANCE SUPPLIERS ASSOCIATION

6120 North Avenue
Chicago, Illinois 60639

Inception

Railway Engineering-Maintenance Suppliers Association is the outgrowth of two predecessor associations: National Railway Appliances Association and Association of Track and Structure Suppliers. The NRAA, under several different names had been in existence since 1984; the AT&SS since 1914. These two associations were merged into REMSA in 1965.

Services Rendered

As stated in the Constitution and By-laws of REMSA, the "purpose of this organization shall be to promote the welfare of transportation industries in carrying on the activities of its predecessors. Its activities shall be wholly educational, looking to the greatest advancement in the efficiency, safety, maintenance, and operation thereof. It will cooperate in the development of conventions of Engineering, Maintenance, Research and Scientific Associations, and shall sponsor and hold exhibitions of equipment, appliances, and supplies held in conjunction with these meetings."

Membership

Membership is limited to corporations, firms, and individuals engaged in the manufacture or sale of transportation equipment, appliances and supplies; engineers or contractors engaged in construction and/or maintenance of track facilities; also, publishers of the technical press and others associated with the transportation industry.

Source: Railway Engineering-Maintenance Suppliers Association.

GLOSSARY

GLOSSARY

AVERAGE LENGTH OF HAUL - The average distance in miles one ton is carried.

BRANCH LINE - The rail line serving one or more stations beyond the point of junction with the main line or another branch line.

CASH FLOW - Indication of net cash income or the net of revenues minus cash expenses. The sum of net income from continuing operations, depreciation and amortization, deferred taxes and net decrease or increase in subsidiaries' undistributed income.

CAR CAPACITY - Load limitation in terms of weight or space.

CAR-MILE - The movement of a unit of car equipment a distance of one mile. An empty car-mile is a mile run by a freight car without a load or a flat car loaded with empty railroad-owned or controlled highway trailers or containers, moving without revenue waybill, excluding company service equipment designed for use exclusively in work service. A loaded car-mile is a mile run by a freight car in freight and passenger trains loaded with revenue or non-revenue freight, or a mile run by company service equipment in transportation trains, or a mile run by a flat car carrying loaded or empty highway trailers moving with revenue waybill.

FIXED CHARGE COVERAGE - Ratio indicating the number of times income is a multiple of fixed charge expense. The higher the value the more able the firm to pay current interest charges. Calculated as income before fixed charges and taxes divided by fixed and contingent interest charges.

FREIGHT SERVICE OPERATING EXPENSES - The sum of operating expenses directly assignable to the freight service and an apportionment of the expenses common to both freight and passenger service.

FREIGHT SERVICE REVENUE - Revenue from the transportation of freight, switching of freight train cars, water transfers of freight, vehicles and livestock, movement of freight trains at a rate per train-mile or for a lump sum, storage of freight, demurrage, grain elevators, stockyards, and miscellaneous services and facilities in connection with the transportation of freight.

GROSS TON-MILE - Total weight of a train moved a distance of one mile.

HOT BOX - An overheated journal caused by excessive friction between wheel bearing and journal.

HOURS, SERVICE - The time of an employee forming the basis for computing his compensation, including time actually worked and paid for at straight time rates, overtime paid for at punitive rates, time paid for but not worked, and constructive allowances.

INVESTMENT TURNOVER - Ratio indicating the revenue generating capacity of railroad assets. The higher the ratio, the greater the level of operating revenue attained for each dollar of investment in property. Calculated as total operating revenues divided by net property investment.

LOCOMOTIVE UNIT-MILE - The movement of a locomotive one mile in freight train service.

MAIN LINE - Main tracks, exclusive of switch tracks, branches, yards and terminals.

MILES OF ROAD OPERATED - The single or first main track, measured by the distance between terminals, over which railway transportation service is conducted. Excludes industrial tracks, yard tracks, and sidings.

MILES OF TRACK OPERATED - Total track mileage consisting of first, second and other main tracks, and of yard tracks and sidings operated in transportation service.

NET TON-MILE - The movement of a ton of either or both revenue and nonrevenue freight a distance of one mile. A charge for a movement classifies a ton-mile as a revenue ton-mile, and a movement without charge is classified as a non-revenue ton-mile.

GLOSSARY

NON-REVENUE FREIGHT - Company materials and supplies transported without charge in freight trains of a particular railroad, for its own use.

OPERATING EXPENSES - Expenses of furnishing transportation service including the expense of maintenance and depreciation of the plant used in the service.

OPERATING RATIO - The ratio of the operating expenses to the operating revenues.

OPERATING REVENUES - The amount of money which a carrier receives from transportation operations.

PAYROLL TAXES - Taxes based upon wages paid employees, usually imposed for retirement, unemployment or sickness benefits.

PIGGYBACK - A term used to describe the hauling of loaded or empty highway trailers or containers on railroad freight cars. Also called TOFC/COFC service.

ROLLING STOCK - Rail transportation equipment on wheels.

SALARIES AND WAGES CHARGEABLE TO OPERATING EXPENSES - Includes direct compensation paid or payable to employees for services related to maintenance and operation of a railroad, including profit sharing, stock option plans, and paid time off. Excludes amounts payable for services chargeable to additions, betterments, new construction work, labor billed by or billable to contractors and other companies.

TIME PAID FOR BUT NOT WORKED - Payment for holidays, absence due to leave, vacations, miscellaneous time paid for but not worked (such as pay for attending court, suspensions, sickness, etc.), and any other time that can properly be considered constructive.

TRACK MILE - One mile of single track.

TRAIN-HOUR - The elapsed time of road freight and passenger trains between the time of leaving initial terminals and the time of arrival at final terminals, including train switching at the time of arrival at final terminals, including train switching at way stations and delays on road.

TRAIN-MILE - The movement of a train a distance of one mile.

WAYBILL - The document covering a shipment and showing the forwarding and receiving station, the names of consignor and consignee, the car initials and number, the routing, the description and weight of the commodity, instructions for special services, the rate, total charges, advances and waybill reference for previous services, and the amount prepaid.

WEIGHT OF RAIL - The weight in pounds per yard of rail.

WORK TRAIN - A train engaged in company service for which no revenue is received, such as inspection, wreck trains, and trains transporting employees to and from work.

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